



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

January 12, 2007

Mewbourne Oil Company
c/o Mr. James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504

Attention: Mr. James Bruce, Attorney

Re: **Eunice Southwest "8" State Well No. 1**
API No. 30-025-37779
1400' FSL & 1650' FWL, Unit K,
Section 8, T-21 South, R-35 East, NMPM,
Lea County, New Mexico

Administrative Order NSL-5547

Dear Mr. Bruce:

Reference is made to the following:

- (a) your application on behalf of Mewbourne Oil Company ("applicant") for a non-standard well location (*administrative application reference No. pTDS0635648685*) for the Eunice Southwest "8" State Well No. 1 that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on December 21, 2006; and
- (b) the Division's records pertinent to your request.

The applicant requests approval of an unorthodox oil well location for its **existing** Eunice Southwest "8" State Well No. 1 in the Undesignated South Wilson-Wolfcamp Pool (Oil – 97162) which has been drilled 1400 feet from the South line and 1650 feet from the West line (Unit K) of Section 8, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico. The NE/4 SW/4 of Section 8 is to be dedicated to the well in the Undesignated South Wilson-Wolfcamp Pool forming a standard 40-acre spacing and proration unit.

The South Wilson-Wolfcamp Pool is currently governed by Division Rule 19.15.3.104(B).

The applicant stated that the subject well was originally drilled at a standard gas well location to test the Morrow formation. After producing for a short period of time from the Morrow interval, the subject well will now be completed in the Wolfcamp formation.

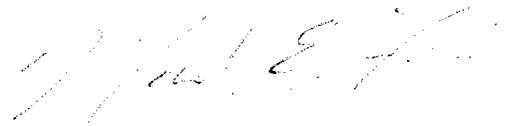
The only affected offset acreage is the SE/4 SW/4 of Section 8.

The applicant's evidence also shows that the SW/4 of Section 8 is a single State of New Mexico lease (Lease No. B-1481-18), and that the interest ownership between the NE/4 SW/4 and the SE/4 SW/4 of Section 8 is common. Consequently, there are no adversely affected offset operators and/or interest owners. Therefore, the applicant was not required, and did not provide notice of this application to any party.

Division records show that the Eunice Southwest "8" State Well No. 1 will be the only well producing at this time within the NE/4 SW/4 of Section 8.

Pursuant to the authority granted under the provisions of Division Rule 19.15.3.104.F(2), the above-described unorthodox oil well location in the Undesignated South Wilson-Wolfcamp Pool is hereby approved.

Sincerely,



Mark E. Fesmire, P.E.
Division Director

MEF/drc

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office-Oil & Gas Division