



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

February 5, 2007

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

Administrative Order NSL-5557

Re: Geronimo 30 Federal Well No. 4
L-30-18S-32E
Lea County

Dear Mr. Bruce:

Reference is made to the following:

- (a) your application (**administrative application reference No. pTDS07-01647174**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on January 12, 2007, on behalf of Mewbourne Oil Company (Mewbourne), and
- (b) the Division's records pertinent to Mewbourne's request.

Mewbourne has requested to drill its Geronimo 30 Federal Well No. 4 at an unorthodox Bone Spring location, 2440 feet from the South line and 330 feet from the West line (Unit L) of Section 30, Township 18 South, Range 32 East, N.M.P.M., in Lea County, New Mexico. The NW/4 of the SW/4 of Section 30 will be dedicated to this well in order to form a standard spacing and proration unit of approximately 40 acres in the North Lusk-Bone Spring Pool (41450). This request is governed by statewide Rule 104.C(1), which provides that wells may be located no closer than 330 feet to a unit boundary. The proposed location is 200 feet or less from the northern boundary of the proposed unit.

Your application on behalf of Mewbourne has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

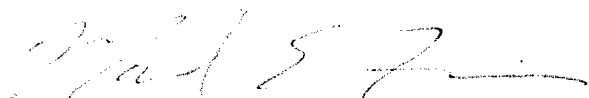
It is our understanding that this location was dictated by topographic considerations, due to the existence of sand dunes to the south of the proposed location. Additionally, we understand that the location was selected to conform to United States Bureau of Land Management siting requirements.

We also understand that Mewbourne operates the offsetting spacing units to the north, in the NW/4 of Section 30, and that working interest ownership in those offsetting units is identical to that in the proposed unit. Accordingly, there are no "affected persons" who must be notified of this application.

By the authority granted me under the provisions of Division Rule 104.F(2) the above-described non-standard location is hereby approved.

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

Sincerely,

A handwritten signature in dark ink, appearing to read 'Mark E. Fesmire', with a long horizontal flourish extending to the right.

Mark E. Fesmire, P.E.
Director

MEF/db

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