

UNITED BANK PLAZA
400 N. PENN. SUITE 1000

CHARLES B. READ
PRESIDENT

Read & Stevens, Inc.

Oil Producers

P. O. Box 1518

Roswell, New Mexico 88202

PHONE 505 622-3770
FAX: 505 622-8643

OIL CONSERVATION DIVISION
RECEIVED

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Duc
CASE
FILE 10650

November 30, 1992

Oil Conservation Division
State of New Mexico
P.O. Box 2088
Santa Fe, New Mexico 87504

Attn: Mr. David Catanach

Re: Cedar Breaks 2 State "2"
990' FN & EL of Section 2-18S-30E
Eddy County, New Mexico

Gentlemen:

In response to application by Mewbourne Oil Company for administrative approval of an unorthodox location for the captioned well, Read & Stevens, Inc. hereby opposes said application and requests that no exception be granted to the well location requirements of the New Mexico Oil Conservation Division Rule 104.

READ & STEVENS, INC.

By: *Charles B. Read by RHW*
Charles B. Read, President

BW/pm
/u/wdoc/pamela/bob/Fax-11-30



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

November 24, 1992

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

Mewbourne Oil Company
c/o Hinkle, Cox, Eaton, Coffield and Hensley
P.O. Box 2068
Santa Fe, NM 87504-2068

Case 10650

Attention: James Bruce

RE: *Application for administrative approval of a non-standard location, Loco Hills Prospect; Section 2, Township 18 South, Range 30 East, Eddy County, New Mexico.*

Dear Mr. Bruce:

The Division is in receipt of an objection to the subject administrative application from Enron Oil and Gas Company. The objection was dated November 24, 1992 (see attached) and was received by the Division within the required twenty-day waiting period.

This application will therefore be set on the next available docket for an Examiner Hearing which is scheduled for January 7, 1993.

Please contact me if you have any questions or comments.

Sincerely,

Michael E. Stogner /amg

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/AMG

cc: Oil Conservation Division - Artesia
William F. Carr (Enron Oil and Gas) - Santa Fe

CAMPBELL, CARR, BERGE

& SHERIDAN, P.A.

LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
BRADFORD C. BERGE
MARK F. SHERIDAN
WILLIAM P. SLATTERY

PATRICIA A. MATTHEWS
MICHAEL H. FELDEWERT

JACK M. CAMPBELL
OF COUNSEL

JEFFERSON PLACE
SUITE 1 - 110 NORTH GUADALUPE
POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

November 24, 1992

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OIL CONSERVATION DIVISION

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
State Land Office Building
Santa Fe, New Mexico 87503

Case 10650

Re: Application of Mewbourne Oil Company for an Unorthodox Gas Well
Location, Loco Hills Prospect,
Section 2, Township 18 South, Range 30 East, N.M.P.M.,
Eddy County, New Mexico

Dear Mr. LeMay:

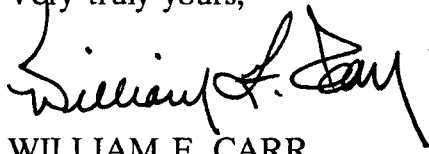
Enron Oil & Gas Company hereby objects to the application of Mewbourne Oil Company for an unorthodox location, for a well it proposes to drill to an approximate depth of 11,600 feet to test the Morrow formation at a location 990 feet from the North and East lines of Section 2, Township 18 South, Range 30 East, N.M.P.M., Eddy County, New Mexico.

Enron Oil & Gas Company requests that this matter be set for hearing at which time Enron will appear and present testimony in support of a production penalty on this well.

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
November 24, 1992
Page 2

Your attention to this request is appreciated.

Very truly yours,

A handwritten signature in black ink, appearing to read "William F. Carr". The signature is fluid and cursive, with a large initial "W" and a stylized "C".

WILLIAM F. CARR

WFC:mlh

cc: Mr. Patrick J. Tower
Enron Oil & Gas Company
Post Office Box 2267
Midland, Texas 79702

James G. Bruce, Esq.
Hinkle, Cox, Eaton, Coffield & Hensley
Post Office Box 2068
Santa Fe, New Mexico 87504

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

915 / 682-3715

December 23, 1992

Enron Oil & Gas Company
508 W. Wall, Suite 1100
Midland, Texas 79701

Attn: Patrick J. Tower

Re: Unorthodox Location Application
Cedar Breaks "2" State No. 2 well
E/2 of Section 2-18S-30E
Eddy County, New Mexico

Gentlemen:

This letter shall evidence in writing the agreement between Mewbourne Oil Company (Mewbourne) and Enron Oil and Gas Company (Enron) concerning Mewbourne's unorthodox location application for the Cedar Breaks 2 State No. "2" well.

- 1) Enron agrees to immediately withdraw its protest of Mewbourne's unorthodox location for the Cedar Breaks 2 State "2" well located 990' FNL & 990' FEL of NE/4 of Section 2-18S-30E and hereby consents to said location waiving all objections thereto.
- 2) In consideration of Enron dropping its protest, Mewbourne agrees to grant Enron a one (1) time waiver for one (1) well located no closer than 990' from the end and 660' from the side boundary of any 320 acre spacing unit that is contiguous to Sec. 2-18S-30E for a period of one year from January 1, 1993.
- 3) Mewbourne agrees to furnish Enron with well information 30 days from the completion of the Cedar Breaks 2 State No. "2" well. Enron agrees to furnish Mewbourne with well information 30 days from completion of any well that Enron drills at an unorthodox location in which Mewbourne grants a waiver to as set out above.
- 4) It is agreed and understood that it is the intent of Mewbourne but not the obligation to drill the Cedar Breaks "2" State No. 2 well and that the foregoing sets forth the entire agreement between the parties and that there are no verbal or oral agreements between the parties not set out in writing herein.

EXHIBIT NO. A

Enron Oil & Gas Company
December 22, 1992
Page 2

Should the above correctly set forth our agreement, please so signify by executing and dating this agreement in the space provided below, returning one original executed copy to the attention of the undersigned.

Sincerely,

MEWBOURNE OIL COMPANY

Mike Bogart
Mike Bogart
Landman

AGREED TO THIS 23rd day of December, 1992
by Enron Oil & Gas Company.

By: *Dan L. Thomas*
Title: Gary L. Thomas
Agent & Attorney-in-Fact

PJT

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OIL CONSERVATION DIVISION

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

November 5, 1992

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Loco Hills Prospect
Cedar Breaks 2 State "2" Well
Section 2-18S-30E N.M.P.M.
E/2
Eddy County, New Mexico

Gentlemen:

Read and Stevens Inc., as an offset operator or owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at a location of 990' FNL & 990' FEL of NE/4 of Section 2-18S-30E, Eddy County, New Mexico.

This letter is to advise that Read and Stevens Inc. has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

MEWBOURNE OIL COMPANY

Mike Bogart
Mike Bogart
Landman

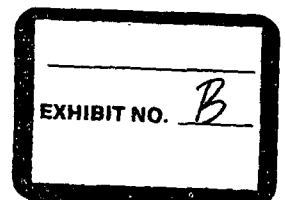
Read & Stevens, Inc.

By: Charles B. Read, President

* By: *Charles B. Read*
Title: *President*
Date: *11/19/92*

- * Subject to the terms of the attached Letter Agreement between Read & Stevens Inc. and Mewbourne Oil Company dated November 18, 1992.

OIL CONSERVATION DIVISION
REC'D
JAN 6 AM 2 52



UNITED BANK PLAZA
400 N. PENN. SUITE 1000

CHARLES B. READ
PRESIDENT

PHONE 505 622-3770
FAX: 505 622-8643

Read & Stevens, Inc.

Oil Producers

P. O. Box 1518

Roswell, New Mexico 88201

November 18, 1992

Mewbourne Oil Company
500 W. Texas - Suite 1020
Midland, Texas 79701

Attn: Mr. Mike Bogart
Landman

Re: Loco Hills Prospect
Application for Unorthodox Location
Cedar Breaks 2 State "2"
E/2 Section 2, 18S-30E
Eddy County, NM

Gentlemen;

In response to your letter dated November 6, 1992 regarding the captioned matter, please be advised that Read & Stevens, Inc. agrees to waive any objection to your unorthodox location subject to the following conditions:

- 1) Read & Stevens will not object to Mewbourne's application for unorthodox location if Mewbourne will agree not to oppose a similar application by Read & Stevens for its proposed test well to be located in the W/2 of Section 1, T18S-R30E, Eddy County, NM.
- 2) Mewbourne and Read & Stevens agree to a mutual exchange of electric and mud logs and drilling and completion reports on their respective wells set out above. The information will be furnished within 48 hours from the time that it becomes available.

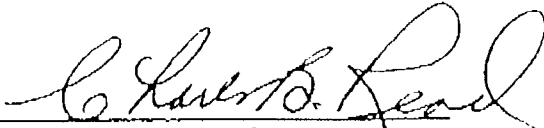
Read & Stevens, Inc.

Mr. Mike Bogart
Page -2-
November 18, 1992

If Mewbourne agrees to the above conditions, please sign and date the attached copy of this letter and return to the undersigned.

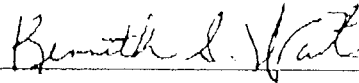
Respectfully,

READ & STEVENS, INC.


Charles B. Read, President

* Accepted this 22nd day in ^{December}~~November~~, 1992. KSW

CBR/pm
Enclosure

 District Manager
Mewbourne Oil Company Title

/u/wpdoc/pamela/CBR/Mewbourne

*Subject to the terms of the attached Letter Agreement between Read and Stevens and Mewbourne Oil Company dated December 23, 1992.

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

FAX MEMO

PAGES 2 DATE 1/5/93 FAX # 915-685-4170
TO Mewbourne Oil / Mike Bessert
FROM Bob Watson
CO Read & Stevens
PH# 505-622-3770 FAX# 505-622-8643

(915) 682-3715
FAX (915) 685-4170

January 4, 1993

Read and Stevens, Inc.
P. O. Box 1518
Roswell, New Mexico 88202

Attn: Mr. Bob Watson

Re: Loco Hills Prospect
Mewbourne's Unorthodox Location Application
Cedar Breaks "2" State #2
E/2 Section 2-18S-30E
Eddy County, New Mexico

Gentlemen:

In response to your proposed Letter Agreement dated November 18, 1992 and our subsequent discussions regarding the captioned matter, please be advised that Mewbourne Oil Company (Mewbourne) agrees to the conditions proposed by Read and Stevens, Inc. (Read and Stevens) subject to the following revisions:

- 1) Read and Stevens proposed unorthodox location in the NW/4 of Section 1 shall be located no closer than 990' from the west line of Section 1.
- 2) The exchange of information provided for in Paragraph 2 of Read and Stevens' letter shall be accomplished within 45 days of receipt of said logs and reports.
- 3) It is agreed and understood that by Mewbourne consenting to not oppose an unorthodox location application by Read and Stevens in the NW/4 of Section 1, Mewbourne is not waiving its right to oppose the configuration of the spacing and proration unit, for formations spaced 320 acres, for a well located in the NW/4 of Section 1-T18S-R30E.
- 4) It is agreed and understood that Read and Stevens will withdraw its protest of Mewbourne's Unorthodox Location Application scheduled for January 7, 1993.
- 5) This letter is to supercede and replace our letter of December 23, 1992 as previously submitted.

Read and Stevens, Inc.
January 4, 1993
Page 2

Should the foregoing be acceptable to Read and Stevens, please indicate so in the space provided and return one (1) copy to the undersigned.

Yours truly,

Mewbourne Oil Company

Kenneth S. Waits
Kenneth S. Waits

ACCEPTED this 5th day of January, 1993

By: *Charles B. Read*
Title: President

Read & Stevens, Inc.
By: Charles B. Read, President

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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DEC - 1 1992

November 5, 1992

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Loco Hills Prospect
Cedar Breaks 2 State "2" Well
Section 2-18S-30E N.M.P.M.
E/2
Eddy County, New Mexico

Gentlemen:

Todd Memorial Trust, as an offset operator or owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at a location of 990' FNL & 990' FEL of NE/4 of Section 2-18S-30E, Eddy County, New Mexico.

This letter is to advise that Todd Memorial Trust has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

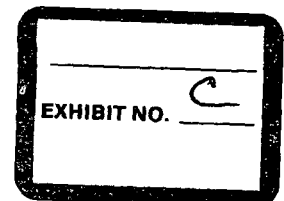
Sincerely,

MEWBOURNE OIL COMPANY

Mike Bogart (MOC)

Mike Bogart
Landman

By: *[Signature]*
Title: *Co-Trustee*
Date: *11/27/92*



MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

915 / 682-3715

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DEC 9 1992

November 6, 1992

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Loco Hills Prospect
Cedar Breaks 2 State "2" Well
Section 2-18S-30E N.M.P.M.
E/2
Eddy County, New Mexico

Gentlemen:

Amoco Production Company, as an offset operator or owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at a location of 990' FNL & 990' FEL of NE/4 of Section 2-18S-30E, Eddy County, New Mexico.

This letter is to advise that Amoco Production Company has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

MEWBOURNE OIL COMPANY

Mike Bogart (cc)

Mike Bogart
Landman

By: *Sarah P. Delaney/BWT*
Title: *Hobbs Resource Manager*
Date: *Dec 7, 1992*

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

November 5, 1992

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Loco Hills Prospect
Cedar Breaks 2 State "2" Well
Section 2-18S-30E N.M.P.M.
E/2
Eddy County, New Mexico

Gentlemen:

Paul Slayton, as an offset operator or owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at a location of 990' FNL & 990' FEL of NE/4 of Section 2-18S-30E, Eddy County, New Mexico.

This letter is to advise that Paul Slayton has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

MEWBOURNE OIL COMPANY

Mike Bogart (KC)

Mike Bogart
Landman

By: *Paul Slayton*
Title: owner
Date: 11-10-92

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

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NOV 14 1992

November 5, 1992

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Loco Hills Prospect
Cedar Breaks 2 State "2" Well
Section 2-18S-30E N.M.P.M.
E/2
Eddy County, New Mexico

Gentlemen:

Rio Pecos Corporation, as an offset operator or owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at a location of 990' FNL & 990' FEL of NE/4 of Section 2-18S-30E, Eddy County, New Mexico.

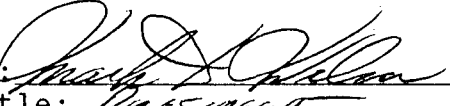
This letter is to advise that Rio Pecos Corporation has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

MEWBOURNE OIL COMPANY

Mike Bogart (KE)

Mike Bogart
Landman

By: 
Title: President
Date: 11/12/92

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

915 / 682-3715

November 6, 1992

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Loco Hills Prospect
Cedar Breaks 2 State "2" Well
Section 2-18S-30E N.M.P.M.
E/2
Eddy County, New Mexico

Gentlemen:

Ann Mitchell Keenan, as an offset operator or owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at a location of 990' FNL & 990' FEL of NE/4 of Section 2-18S-30E, Eddy County, New Mexico.

This letter is to advise that Ann Mitchell Keenan has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

MEWBOURNE OIL COMPANY

Mike Bogart (KC)

Mike Bogart
Landman

By: *Ann M. Keenan*

Title: owner

Date: 11/9/92

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

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NOV 18 1992

November 5, 1992

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Loco Hills Prospect
Cedar Breaks 2 State "2" Well
Section 2-18S-30E N.M.P.M.
E/2
Eddy County, New Mexico

Gentlemen:

OXY USA, Inc., as an offset operator or owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at a location of 990' FNL & 990' FEL of NE/4 of Section 2-18S-30E, Eddy County, New Mexico.

This letter is to advise that OXY USA, Inc. has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

MEWBOURNE OIL COMPANY

Mike Bogart (cc)

Mike Bogart
Landman

By: *Richard E. Foxworth*
Title: *Regulatory Affairs Advisor*
Date: *11-16-92*

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

915 / 682-3715

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NOV 23 1992

November 5, 1992

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Loco Hills Prospect
Cedar Breaks 2 State "2" Well
Section 2-18S-30E N.M.P.M.
E/2
Eddy County, New Mexico

Gentlemen:

William Patrick Dooley, as an offset operator or owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at a location of 990' FNL & 990' FEL of NE/4 of Section 2-18S-30E, Eddy County, New Mexico.

This letter is to advise that William Patrick Dooley has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

MEWBOURNE OIL COMPANY

Mike Bogart (KC)

Mike Bogart
Landman

By: *Paula Worley*
Title: *Personal Representative of P. Dooley Co. & E*
Date: *11-24-92*

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915 / 682-3715

RECEIVED
NOV 24 1992

November 5, 1992

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Loco Hills Prospect
Cedar Breaks 2 State "2" Well
Section 2-18S-30E N.M.P.M.
E/2
Eddy County, New Mexico

Gentlemen:

Meridian Oil Inc., as an offset operator or owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at a location of 990' FNL & 990' FEL of NE/4 of Section 2-18S-30E, Eddy County, New Mexico.

This letter is to advise that Meridian Oil Inc. has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

MEWBOURNE OIL COMPANY

Mike Bogart (KC)

Mike Bogart
Landman

By: *Bruce L. Malik*

Title: *Regulatory Compliance Rep*

Date: *11/23-92*

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

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NOV 24 1992

November 5, 1992

Mr. Michael Stogner
New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

Re: Application for Unorthodox
Location Drilling Permit
Loco Hills Prospect
Cedar Breaks 2 State "2" Well
Section 2-18S-30E N.M.P.M.
E/2
Eddy County, New Mexico

Gentlemen:

Meridian Oil Company Successor in interest of Odessa Natural Gasoline Company, as an offset operator or owner of operating rights, has been advised of Mewbourne Oil Company's intent to drill the above referenced well at a location of 990' FNL & 990' FEL of NE/4 of Section 2-18S-30E, Eddy County, New Mexico.

This letter is to advise that Meridian Oil Company Successor in interest of Odessa Natural Gasoline Company has no objection to the granting of a permit to drill at this location and hereby waives objection and notice of hearing on this application.

Sincerely,

MEWBOURNE OIL COMPANY

Mike Bogart (KC)

Mike Bogart
Landman

By: *Ernie L. Mark*

Title: *Regulatory Compliance Rep*

Date: *11/23/92*

HINKLE, COX, EATON, COFFIELD & HENSLEY

LEWIS C. COX
PAUL W. EATON
CONRAD E. COFFIELD
HAROLD L. HENSLEY, JR.
STUART D. SHANOR
ERIC D. LANPHERE
C. D. MARTIN
PAUL J. KELLY, JR.
ROBERT P. TINNIN, JR.
MARSHALL G. MARTIN
OWEN M. LOPEZ
DOUGLAS L. LUNSFORD
JOHN J. KELLY
NICHOLAS J. NOEDING
T. CALDER EZZELL, JR.
WILLIAM B. BURFORD*
RICHARD E. OLSON
RICHARD R. WILFONG*
THOMAS J. MCBRIDE
STEVEN D. ARNOLD
JAMES J. WECHSLER
NANCY S. CUSACK
JEFFREY L. FORNACIARI
JEFFREY D. HEWETT
JAMES BRUCE
JERRY F. SHACKELFORD*
JEFFREY W. HELLBERG*
ALBERT L. PITTS
THOMAS M. HNASKO
JOHN C. CHAMBERS*
GARY D. COMPTON*
MICHAEL A. GROSS
THOMAS D. HAINES, JR.
GREGORY J. NIBERT
DAVID T. MARKETTE*
MARK C. DOW

KAREN M. RICHARDSON*
FRED W. SCHWENDIMANN
JAMES M. HUDSON
JEFFREY S. BAIRD*
MACDONNELL GORDON
REBECCA NICHOLS JOHNSON
WILLIAM P. JOHNSON
STANLEY K. KOTOVSKY, JR.
H. R. THOMAS
KARA L. KELLOGG

BETTY H. LITTLE*
RUTH S. MUSGRAVE
ELLEN S. CASEY
S. BARRY PAISNER
MARGARET CARTER LUDEWIG
STEPHEN M. CRAMPTON
MARTIN MEYERS
GREGORY S. WHEELER
ANDREW J. CLOUTIER
JAMES A. GILLESPIE
GARY W. LARSON
STEPHANIE LANDRY
JOHN R. KULSETH, JR.
MARGARET R. MCNETT
BRIAN T. CARTWRIGHT*
LISA K. SMITH*
JAMES KENT SCHUSTER*
ROBERT H. BETHEA*
BRADLEY W. HOWARD
CHARLES A. SUTTON*
NORMAN D. EWART
DARREN T. GROCE*
MOLLY MCINTOSH

ATTORNEYS AT LAW

218 MONTEZUMA

POST OFFICE BOX 2068

SANTA FE, NEW MEXICO 87504-2068

(505) 982-4554

FAX (505) 982-8623

CLARENCE E. HINKLE (1904-1985)
W. E. BONDURANT, JR. (1913-1973)
ROY C. SNODGRASS, JR. (1914-1987)

OF COUNSEL
O. M. CALHOUN*
MACK EASLEY
JOE W. WOOD
RICHARD S. MORRIS

WASHINGTON, D.C.
SPECIAL COUNSEL
ALAN J. STATMAN

November 5, 1992

700 UNITED BANK PLAZA
POST OFFICE BOX 10
ROSWELL, NEW MEXICO 88202
(505) 622-6510
FAX (505) 623-9332

2800 CLAYDESTA CENTER
6 DESTA DRIVE
POST OFFICE BOX 3580
MIDLAND, TEXAS 79702
(915) 683-4691
FAX (915) 683-6518

1700 TEAM BANK BUILDING
POST OFFICE BOX 9238
AMARILLO, TEXAS 79105
(806) 372-5569
FAX (806) 372-9761

500 MARQUETTE N.W., SUITE 800
POST OFFICE BOX 2043
ALBUQUERQUE, NEW MEXICO 87103
(505) 768-1500
FAX (505) 768-1529

*NOT LICENSED IN NEW MEXICO

VIA HAND DELIVERY

Michael E. Stogner
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87503

Dear Mr. Stogner:

Enclosed are three copies of an Application by Mewbourne Oil Company for administrative approval of an unorthodox gas well location in Section 2, Township 18 South, Range 30 East, Eddy County, New Mexico. The requested location is 990 feet from the East line and 990 feet from the North line of Section 2, with the E $\frac{1}{2}$ of Section 2 dedicated to the well. The well will be a Morrow test.

The request is based upon geology. Each Application contains a geologic description by Mewbourne's geologist of the reasons for the request, an isopach of the lower Morrow, a cross-section, a production map, a land plat, and a listing of offset ownership¹. The ownership information is current and correct, and these persons have been notified of this application by certified mail. An affidavit, with the return receipts, will be submitted shortly.

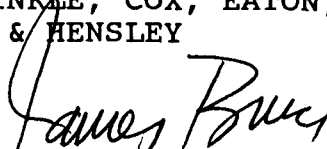
¹In addition to the tracts identified on the plat and the ownership list, Mewbourne Oil Company owns and operates the W $\frac{1}{2}$ of Section 2.

Michael E. Stogner
November 5, 1992
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Please call me if you need anything further regarding this Application.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY


James Bruce

JB:frs
Enclosures