STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION 2040 S. PACHECO SANTA FE, NEW MEXICO 87505 (505) 827-7131

June 11, 1996

Mewbourne Oil Company c/o Campbell, Carr, Berge & Sheridan, P.A. P. O. Box 2208 Santa Fe, New Mexico 87504-69043 Attention: William F. Carr

Administrative Order NSL-3679

Dear Mr. Carr:

Reference is made to your application on behalf of the operator, Mewbourne Oil Company, dated May 20, 1996, for approval to drill a well at an unorthodox gas well location to test the Morrow formation within the Empire-Pennsylvanian Gas Pool 1650 feet from the North line and 990 feet from the West line (Unit E) of Section 4, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico. Lots 1 through 4 and S/2 N/2 (N/2 equivalent) of said Section 4 shall be dedicated to the well to form a standard 320.48-acre gas spacing and proration unit for said pool.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Morrow formation than a well drilled at a location considered to be standard.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996.

By the authority granted me under the provisions of Division General Rule 104.F(2), the abovedescribed unorthodox gas well location is hereby approved.

Sincerely.

William J. LeMay Director

WJL/MES/kv

cc: Oil Conservation Division - Artesia New Mexico State Land Office - Santa Fe