



**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT**

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

March 22, 2000

Mewbourne Oil Company
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87505

Telefax No. (505) 982-2151

RE: SD-00-02: *South Empire-Morrow Gas Pool development within an existing 292.96-acre gas spacing and proration unit comprising Lots 3 and 4, the E/2 SW/4, and the SE/4 (S/2 equivalent) of Section 7, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico, which was the subject of Division Administrative Order NSP-1281, dated January 7, 1982.*

Dear Mr. Bruce:

Reference is made to the following: (i) your letters on behalf of the operator, Mewbourne Oil Company ("Mewbourne"), dated February 25 and March 2, 2000; (ii) my telephone conversations with you and Mr. William F. Carr, Legal Counsel for Harvey E. Yates Company, on Tuesday, March 21, 2000; (iii) letters from Mr. William F. Carr dated March 15 and 21, 2000; and (iv) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe including the file on Division Administrative Order NSP-1281: all concerning Mewbourne's plans for further Morrow gas development within the existing 292.96-acre gas spacing and proration unit comprising Lots 3 and 4, the E/2 SW/4, and the SE/4 (S/2 equivalent) of Section 7, Township 17 South, Range 29 East, NMPM, South Empire-Morrow Gas Pool, Eddy County, New Mexico, which was the subject of Division Administrative Order NSP-1281, dated January 7, 1982.

The South Empire-Morrow Gas Pool is a non-prorated gas pool. Well spacing and locations therein are currently governed under Division Rules 104.C (2), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999. In addition this unit is also governed under the provisions of Division Rules 104.D (2) (a) and 104.D (3), as revised.

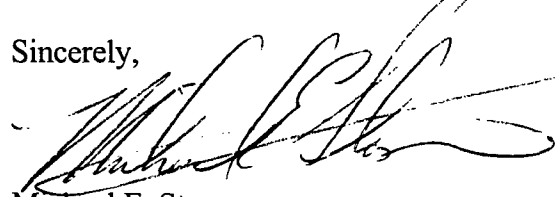
It is our understanding that gas production attributed to the South Empire-Morrow Gas Pool within this 292.96-acre unit will be simultaneously dedicated to the following two wells:

- the existing Green "B" Well No. 11 (API No. 30-015-23754), located at a standard gas well location 1780 feet from the South line and 2080 feet from the East line (Unit J) of Section 7; and
- Mewbourne's proposed Empire "7" Federal Well No. 1, to be drilled at a standard infill gas well location 660 feet from the South

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line and 1650 feet from the West line (Unit N) of Section 7.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael E. Stogner", with a long horizontal flourish extending to the right.

Michael E. Stogner
Chief Hearing Officer/Engineer

LW/mes

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
William F. Carr, Legal Counsel for Harvey E. Yates Company - Santa Fe
File: NSP-1281 /



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenbery
Director
Oil Conservation Division

May 2, 2003

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

Telefax No. (505) 982-2151

Administrative Order NSL-4871

Dear Mr. Bruce:

Reference is made to the following: (i) your application on behalf of the operator, Mewbourne Oil Company ("Mewbourne") dated April 30, 2003 (*administrative application reference No. pKRV0-312151388*); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe, including the file on Division Administrative Orders NSP-1281 and SD-00-02: all concerning Mewbourne's request for an unorthodox Atoka gas well location for its existing Green "B" Federal Well No. 11 (**API No. 30-015-23754**), located 1780 feet from the South line and 2080 feet from the East line (Unit J) of Section 7, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico.

Lots 3 and 4, the E/2 SW/4, and the SE/4 of Section 7, being a standard 292.96-acre lay-down gas spacing unit for the shallower Undesignated North Empire-Atoka Gas Pool (**76377**) [see Division Rule 104.D (2) (a), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999], is to be dedicated to this well.

This application has been duly filed under the provisions of Division Rule 104.F, as revised.

It is the Division's understanding that the subject well was initially drilled in 1981 by General American Oil Company of Texas and completed in the South Empire-Morrow Gas Pool (**76400**) within the S/2 equivalent of Section 7, which was the subject of Division Administrative Order NSP-1281, dated January 7, 1982, at a location considered to be standard at that time.

It is further understood that the Morrow interval is no longer producing and is to be abandoned at this time and that Mewbourne intends to plug the well back and recompleat up-hole into the Atoka formation; however, pursuant to Division Rule 104.C (2) (a), as revised, this location is now unorthodox for the Undesignated North Empire-Atoka Gas Pool.

Administrative Order NSL-4871
Mewbourne Oil Company
May 2, 2003
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By the authority granted me under the provisions of Division Rule 104.F (2), as revised, the above-described unorthodox Atoka gas well location within this 292.96-acre unit comprising the S/2 equivalent of Section 7 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 cursive script that reads "Lori Wrotenbery". The signature is written in dark ink and is positioned below the word "Sincerely,".

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
File: NSP-1281
SD-00-02



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

June 9, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Mewbourne Oil Company
c/o **James Bruce**
P. O. Box 1056
Santa Fe, New Mexico 87505

AMENDED SD-00-02: *South Empire-Morrow Gas Pool development within an existing 292.96-acre gas spacing and proration unit comprising Lots 3 and 4, the E/2 SW/4, and the SE/4 (S/2 equivalent) of Section 7, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico, which was the subject of Division Administrative Order NSP-1281, dated January 7, 1982.*

Dear Mr. Bruce:

While preparing the Division's records for imaging, I found that a previously issued Division Directive referenced as SD-00-02 (**administrative application reference No. pMES0-516054828**), dated March 22, 2000, does not reflect the actual location of one of the two wells that were the subject of this administrative order.

The second sub-paragraph referencing the Empire "7" Federal Well No. 1 of the third paragraph on pages 1 and 2 of SD-00-02 shall be amended at this time to read as follows:

"Mewbourne's Empire "7" Federal Well No. 1 (API No. 30-015-31134), located at a standard infill gas well location 760 feet from the South and 1750 feet from the West line (Unit N) of Section 7."

The amendment set forth in this order (**administrative application reference No. pMES0-516057018**) shall be entered retroactively as of March 22, 2000; further, all other provisions of Division Administrative Order SD-00-02 shall remain in full force and effect until further notice.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,

Mark E. Fesmire, P. E.
Director

MEF/ms

cc: New Mexico Oil Conservation Division – Artesia
U. S. Bureau of Land Management – Carlsbad
William F. Carr, Legal Counsel for Harvey E. Yates Company – Santa Fe
File: NSP-1281
NSL-4871