



March 29, 2012

VIA HAND DELIVERY

Jami Bailey
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

2012 MAR 29 P 3:48
RECEIVED OGD**Re: Oil Conservation Division Case No. 14605; Order No. R-13381:**

Application of Mewbourne Oil Company for non-standard spacing and proration unit, unorthodox well location, and compulsory pooling, Eddy County, New Mexico.

Dear Ms. Bailey:

I write in response to your request for additional information justifying Mewbourne Oil Company's ("Mewbourne") request for an extension to the drilling deadline provided in Order No. R-13381. By letter dated March 7, 2012, Mewbourne requested that the drilling deadline of April 15, 2012, be extended 180 days through October 15, 2012.

The reason for the requested extension is that Mewbourne has recently been engaged in discussions with COG Operating LLC and other interest owners about the possibility of drilling a full-section well in the W/2 W/2 of Section 13. Mewbourne's Order No. R-13381 pooled all uncommitted interests to create only an 80-acre project area in the W/2 SW/4 of Section 13. Mewbourne would prefer to be a partner in a 160-acre horizontal well than to drill the 80-acre well approved by Order No. R-13381, but negotiations with one minority interest owner in a proposed W/2 W/2 well have stalled and are not expected to be resolved before Mewbourne's drilling deadline on April 15, 2012.

An application to pool the uncommitted interests in the W/2 W/2, Case No. 14801, is on file with the Division and is expected to be heard on April 26, 2012. Mewbourne, however, wants to protect its interest and ability to drill a well in the W/2 SW/4 of Section 13 in the unlikely event that it is unable to drill a W/2 W/2 well. If Mewbourne's application in Case No. 14801 is approved, however, Mewbourne will dismiss and withdraw its application for the W/2 SW/4 approved by Order No. R-13381.



Please let me know if you have any additional questions regarding the grounds for Mewbourne's request for an extension. I appreciate your attention to this matter.

Sincerely,

Adam G. Rankin

cc: Richard Ezeanyinm, Oil Conservation Division
Corey Mitchell, Mewbourne Oil Company