

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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

Case No. 11548
Order No. R-10621

**APPLICATION OF MEWBOURNE OIL COMPANY FOR AN UNORTHODOX
GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on June 13, 1996, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 8th day of July, 1996, the Division Director, having considered the testimony, the record, and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:

- (1) Due public notice having been given as required by law, the Division has jurisdiction of this cause and the subject matter thereof.
- (2) The applicant, Mewbourne Oil Company, seeks approval to drill its State "B" Com Well No. 4 at an unorthodox gas well location in the Cemetery-Morrow Gas Pool 1650 feet from the North line and 660 feet from the West line (Unit E) of Section 33, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico. The N/2 of said Section 33 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool.
- (3) The applicant presented geological testimony and evidence, which 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.

(4) No off-setting operator and/or interest owner appeared at the hearing in opposition to this application.

(5) Approval of this application should serve to increase the likelihood of obtaining commercial gas production from the Morrow formation within the N/2 of said Section 33, will afford the applicant the opportunity to produce its just and equitable share of the gas in the Cemetery-Morrow Gas Pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells and will otherwise prevent waste.

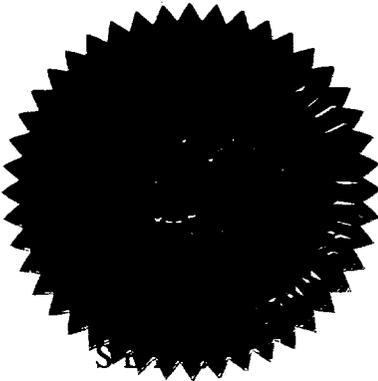
IT IS THEREFORE ORDERED THAT:

(1) The application of Mewbourne Oil Company to drill its State "B" Com Well No. 4 at an unorthodox gas well location in the Cemetery-Morrow Gas Pool 1650 feet from the North line and 660 feet from the West line (Unit E) of Section 33, Township 19 South, Range 25 East, NMPM, Eddy County, New Mexico is hereby approved.

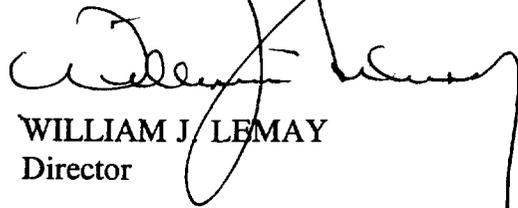
(2) The N/2 of said Section 33 shall be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said pool.

(3) Jurisdiction is hereby retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


WILLIAM J. LEMAY
Director

PROPOSED ADVERTISEMENT

Case 11548: Application of Mewbourne Oil Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks approval to drill its proposed State "B" Com. Well No. 4 at an unorthodox gas well location 1650 feet from the North line and 660 feet from the West line (Unit E) of Section 33, Township 19 South, Range 25 East, to test the Cemetery - Morrow Gas Pool. The N½ of said Section 33 is to be dedicated to the well, forming a standard 320 acre gas spacing and proration unit for said pool. Sand unit is located approximately 4 miles northwest of Seven Rivers, New Mexico.