

LAW OFFICES

LOSEE, CARSON, HAAS & CARROLL, P. A.

MARY LYNN BOGLE
ERNEST L. CARROLL
JOEL M. CARSON
DEAN B. CROSS
JAMES E. HAAS

311 WEST QUAY AVENUE
P. O. BOX 1720
ARTESIA, NEW MEXICO 88211-1720

TELEPHONE
(505) 746-3505
FACSIMILE
(505) 746-6316

OF COUNSEL
A. J. LOSEE

December 31, 1996

7/10/96

VIA FACSIMILE AND FEDERAL EXPRESS

Mr. Michael Stogner, Chief Hearing Examiner
New Mexico Oil Conservation Division
2040 S. Pacheco
Santa Fe, New Mexico 87504

JAN 2 1997

Re: Application of Bass Enterprises Production
Company and Santa Fe Energy Company for a
Hearing on Mewbourne Oil Company's Scanlon
Draw "35" State No. 1 Well Unorthodox Loca-
tion and for an Order Rescinding Administra-
tive Order NSL-3745 and Staying th Drilling
of the Subject Well

11913

Dear Mr. Stogner:

Enclosed for filing with the Division, please find the Applica-
tion as captioned above. If you have any questions concerning
this application, do not hesitate to contact me. We would ask
that this matter be set for a hearing on the January 23, 1997,
docket.

Thank you for your kind assistance.

Very truly yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.

James E. Haas
James E. Haas

JEH:kth
Encl.

xc w/encl: Mr. William F. Carr (by fax)
Mr. J. Wayne Bailey, Bass Enterprises Production Co.

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

IN THE MATTER OF THE APPLICATION OF :
BASS ENTERPRISES PRODUCTION CO. AND :
SANTA FE ENERGY COMPANY FOR AN ORDER OF :
THE DIVISION RESCINDING ADMINISTRATIVE :
ORDER NSL-3745 PERTAINING TO THE :
APPLICATION OF MEWBOURNE OIL COMPANY :
FOR AN UNORTHODOX GAS WELL LOCATION, :
EDDY COUNTY, NEW MEXICO :

JAN 2

**APPLICATION FOR HEARING ON MEWBOURNE OIL COMPANY'S
SCANLON DRAW "35" STATE NO. 1 WELL UNORTHODOX LOCATION
AND FOR AN ORDER RESCINDING ADMINISTRATIVE ORDER NSL-3745
AND STAYING THE DRILLING OF THE SUBJECT WELL**

COME NOW BASS ENTERPRISES PRODUCTION COMPANY and SANTA FE ENERGY COMPANY, by their attorneys, Losee, Carson, Haas & Carroll, P. A. (James E. Haas and Ernest L. Carroll), and in support hereof, respectfully state:

1. Applicant Bass is the operator of and a leasehold owner the Turkey Track "2" State Com. Well No. 1, a Morrow well located in the E/2 of Section 2, Township 19 South, Range 28 East, N.M.P.M., Eddy County.
2. Applicant Santa Fe is a leasehold owner in the proration unit for the same well.
3. Mewbourne Oil Company proposes to drill its Scanlon Draw "35" State No. 1 Well 660' from the south line and 1980' from the west line of Section 35, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico pursuant to administrative application dated December 5, 1996.
4. Applicants objected to the administrative application of Mewbourne by letter faxed to the Division on December 20, 1996. The records of the attorneys for Applicants

reflect that a call was placed prior to transmission of the objection to confirm a facsimile phone number. Nonetheless, the OCD records show no mechanical or written record of receiving said transmission.

5. A hard copy of the objection transmitted to the Division by U.S. Mail took more than six days to arrive in the offices of the OCD in Santa Fe, New Mexico (see attached). Notwithstanding the attempt to deliver the notice by two different means, the objection was not received by the OCD within the deadline as prescribed by Division Rule 104.F(4).

6. The location proposed by Mewbourne would adversely impact the correlative rights of Bass and Santa Fe and would give Mewbourne an unfair advantage as to geologic location, permitting Mewbourne to produce gas from under the lands contained within the proration unit for Applicants' well in violation of their correlative rights.

7. The geology of the Morrow formation in this area is such that Mewbourne could drill a well at a legal location in the W/2 of Section 35 and obtain its fair share of production therefrom.

8. No undue prejudice will occur to Mewbourne because of the requested action.

WHEREFORE, Applicants pray as follows:

A. that this application be set for hearing before an examiner and that notice of said hearing be given as required by law;

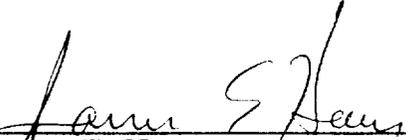
B. that Administrative Order NSL-3745 be stayed until a hearing is held on Applicants' request;

C. that upon hearing the Division enter its order rescinding its Administrative Order NSL-3745;

D. and for such other relief as may be just in the premises.

Respectfully submitted,

LOSEE, CARSON, HAAS & CARROLL, P.A.

By:  _____

James E. Haas

Ernest L. Carroll

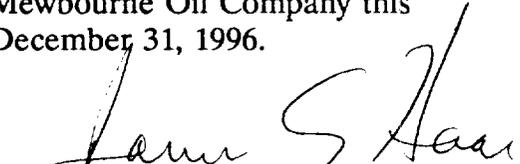
P. O. Box 1720

Artesia, New Mexico 88211-1720

(505)746-3505

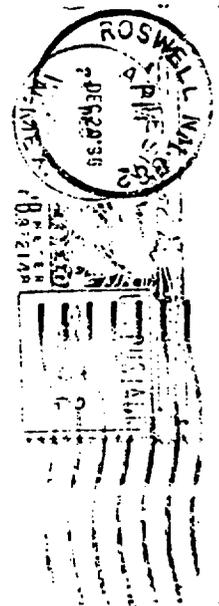
Attorneys for Applicants Bass Enterprises Production
Company and Santa Fe Energy Company

I hereby certify that I caused to be
mailed and faxed a true and correct
copy of the foregoing to counsel for
Mewbourne Oil Company this
December 31, 1996.



James E. Haas

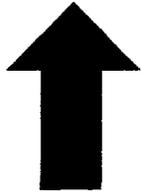
LAW OFFICES
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311 WEST QUAY AVENUE
P. O. BOX 1720
ARTESIA, NEW MEXICO 88211-1720



Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
2040 S. Pacheco
P. O. Box 6429
Santa Fe, New Mexico 87505-5472

87502/6429





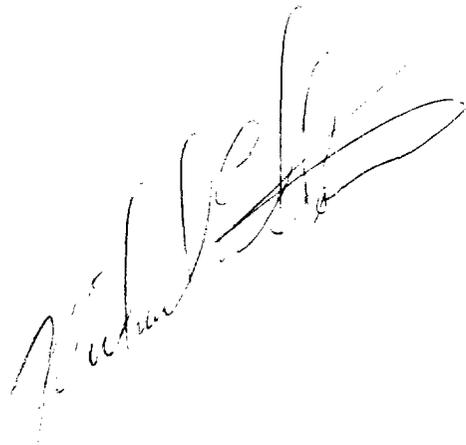
LTR



Job separation sheet

NOTE TO FILE IN CASE 11713

**THIS IS A COMPLETE COPY OF THE
DIVISION'S FILE FOR
ADMINISTRATIVE ORDER NSL-3745.**

A handwritten signature in black ink, written diagonally. The signature is cursive and appears to read "Richard [unclear]".



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

December 27, 1996

Losee, Carson, Haas & Carroll, P.A.
P. O. Box 1720
Artesia, New Mexico 88211-1720

Attention: James E. Haas

RE: Administrative application of Mewbourne Oil Company ("Mewbourne") for an unorthodox gas well location within a standard 320-acre gas spacing and proration unit comprising the W/2 of Section 35, Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico in the North Turkey Track-Morrow Gas Pool for its proposed Scanlon Draw "35" State Well No. 1 to be drilled 660 feet from the South line and 1980 feet from the West line (Unit N) of said Section 35.

Dear Mr. Hansen:

The subject application was filed with the Division on December 5, 1996, your letter of objection dated December 20, 1996 (see copy attached) was received by the Division on December 27, 1996, or 22 calendar days after the official filing date of the Mewbourne application. Pursuant to Division General Rule 104.F(4):

"The applicant shall submit a statement attesting that applicant, on or before the same date the application was submitted to the Division, has sent notification to the affected parties by submitting a copy of the application, including a copy of the plat described in Rule 104.F(3) above by certified or registered mail-return receipt in accordance with Rule 1207(A)(5) advising them that if they have an objection it must be filed in writing within twenty days from the date notice was sent. The Division Director may approve the unorthodox location upon receipt of waivers from all said parties or if no said party has entered an objection to the unorthodox location within 20 days after the Director has received the application."

OIL CONSERVATION DIVISION
REC'D

LAW OFFICES

LOSEE, CARSON, HAAS & CARROLL, P. A.

311 WEST QUAY AVENUE

P. O. BOX 1720

ARTESIA, NEW MEXICO 88211-1720

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MARY LYNN BOGLE
ERNEST J. CARROLL
JOEL M. CARSON
DEAN B. CROSS
JAMES E. HAAS

OF COUNSEL
A. J. LOSEE

December 20, 1996

VIA FACSIMILE TRANSMISSION

505/827-8177

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
2040 S. Pacheco
P. O. Box 6429
Santa Fe, New Mexico 87505-5472

Re: Protest to Application of Mewbourne Oil Company for
Administrative Approval of Unorthodox Well Location for
the Scanlon Draw "35" State No. 1 Well, 660' FSL 1980' FWL
of Section 35, T-18-S, R-28-E, N.M.P.M., Eddy County, New
Mexico

Dear Sir:

This is to notify you that we are filing a protest on behalf of Bass Enterprises Production Co. ("Bass") and Santa Fe Energy Company ("Santa Fe") to the application for administrative approval of the captioned well. Bass is the operator of and a leasehold owner in a Morrow well located in the E/2 of Section 2, Township 19 South, Range 28 East. Santa Fe is a leasehold owner in the proration unit for the same well.

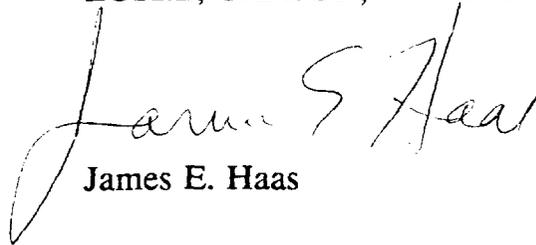
The grounds for this protest are that the location requested would adversely impact the correlative rights of Bass and Santa Fe and would give the applicant an unfair advantage as to geologic location, permitting Mewbourne to produce gas from under the lands contained within the proration unit for protestants' well in violation of their correlative rights. The protestants further aver that the geology of the Morrow formation in this area is such that the applicant could drill a well at a legal location in the W/2 of Section 35 and obtain its fair share of production therefrom. The granting of this application would be in violation of the rules and regulations of the Division.

For the reasons set out above, Bass and Santa Fe do protest the administrative approval of the well location applied for and respectfully request that the Division set this matter for a hearing before an examiner on the first available hearing date.

Mr. William J. LeMay, Director
Page -2-

Respectfully yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.



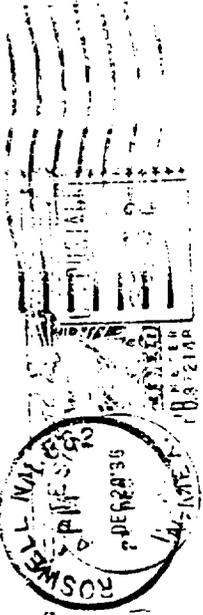
James E. Haas

.JEH:kth

cc: Mr. William F. Carr, Esq
Campbell, Carr, Berge & Sheridan, P. A.
P. O. Box 2208
Santa Fe, NM 87504-2208

Mr. Wayne Bailey, Bass Enterprises Production Co.

LAW OFFICES
LOSEE, CARSON, HAAS & CARROLL, P. A.
311 WEST QUAY AVENUE
P. O. BOX 1720
ARTESIA, NEW MEXICO 88211-1720



Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
2040 S. Pacheco
P. O. Box 6429
Santa Fe, New Mexico 87505-5472

87502/6429

SEND REPORT

DEC-30-96 MON 01:50 PM

#	DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#
01	DEC-19	12:31 PM	913032381838	2' 24"	1	SEND	OK	
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03	DEC-20	03:14 PM	99843027	2' 42"	3	SEND	(M) OK	097
04		04:17 PM	919156880529	1' 46"	3	SEND	OK	
05		05:22 PM	915058997021	54"	1	SEND	OK	
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12		09:45 AM	9-14159566416	1' 36"	2	SEND	(M) OK	100
13		09:51 AM	99822047	1' 13"	2	SEND	OK	
14		10:27 AM	98997021	1' 15"	1	SEND	OK	
15		11:04 AM	74739	2' 21"	4	SEND	OK	
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17	DEC-30	10:22 AM	98997021	56"	1	SEND	OK	
18		10:57 AM	913037307930	44"	1	SEND	OK	

TOTAL 32' 04" 45

GRAND TOTAL TIME: 35H 14M 56S PAGES: 12169

P. 02

RECEIVE REPORT

DEC-30-96 MON 01:51 PM

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03		11:18 AM	405 552 4550	1' 20"	2	RECEIVE	OK
04		12:29 PM	5056321865	1' 29"	2	RECEIVE	(M) NO PAPER→ OK (2p)
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07		05:05 PM	13032754830	1' 19"	2	RECEIVE	OK
08	DEC-24	04:21 PM	G3	1' 57"	2	RECEIVE	OK
09	DEC-26	11:45 AM	806 795 0779	5' 06"	9	RECEIVE	OK
10		03:17 PM	1	1' 37"	3	RECEIVE	OK
11		09:19 PM		59"	1	RECEIVE	OK
12	DEC-30	12:09 PM	214 352 2374	2' 13"	4	RECEIVE	OK

TOTAL 21' 19" 31

GRAND TOTAL TIME: 140H 1M 31S PAGES: 12735

LAW OFFICES

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311 WEST QUAY AVENUE

P. O. BOX 1720

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MARY LYNN BOGLE
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JOEL M. CARSON
DEAN B. CROSS
JAMES E. HAAS

OF COUNSEL
A. J. LOSEE

December 20, 1996

VIA FACSIMILE TRANSMISSION

505/827-8177

Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
2040 S. Pacheco
P. O. Box 6429
Santa Fe, New Mexico 87505-5472

**Re: Protest to Application of Mewbourne Oil Company for
Administrative Approval of Unorthodox Well Location for
the Scanlon Draw "35" State No. 1 Well, 660' FSL 1980' FWL
of Section 35, T-18-S, R-28-E, N.M.P.M., Eddy County, New
Mexico**

Dear Sir:

This is to notify you that we are filing a protest on behalf of Bass Enterprises Production Co. ("Bass") and Santa Fe Energy Company ("Santa Fe") to the application for administrative approval of the captioned well. Bass is the operator of and a leasehold owner in a Morrow well located in the E/2 of Section 2, Township 19 South, Range 28 East. Santa Fe is a leasehold owner in the proration unit for the same well.

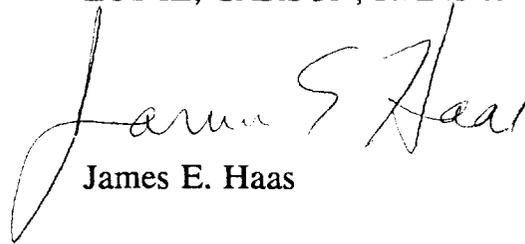
The grounds for this protest are that the location requested would adversely impact the correlative rights of Bass and Santa Fe and would give the applicant an unfair advantage as to geologic location, permitting Mewbourne to produce gas from under the lands contained within the proration unit for protestants' well in violation of their correlative rights. The protestants further aver that the geology of the Morrow formation in this area is such that the applicant could drill a well at a legal location in the W/2 of Section 35 and obtain its fair share of production therefrom. The granting of this application would be in violation of the rules and regulations of the Division.

For the reasons set out above, Bass and Santa Fe do protest the administrative approval of the well location applied for and respectfully request that the Division set this matter for a hearing before an examiner on the first available hearing date.

Mr. William J. LeMay, Director
Page -2-

Respectfully yours,

LOSEE, CARSON, HAAS & CARROLL, P.A.



James E. Haas

.JEH:kth

cc: Mr. William F. Carr, Esq
Campbell, Carr, Berge & Sheridan, P. A.
P. O. Box 2208
Santa Fe, NM 87504-2208

Mr. Wayne Bailey, Bass Enterprises Production Co.

LAW OFFICES
LOSEE, CARSON, HAAS & CARROLL, P. A.
311 WEST QUAY AVENUE
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Mr. William J. LeMay, Director
New Mexico Oil Conservation Division
2040 S. Pacheco
P. O. Box 6429
Santa Fe, New Mexico 87505-5472



87502/6423





STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

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

December 27, 1996

Mewbourne Oil Company
c/o Campbell, Carr, Berge & Sheridan, P.A.
P. O. Box 2208
Santa Fe, New Mexico 87504

Attention: William F. Carr

Administrative Order NSL-3745

Dear Mr. Carr:

Reference is made to your application on behalf of the operator, Mewbourne Oil Company, dated December 5, 1996, for approval to drill its Scanlon Draw "35" State Well No. 1 at an unorthodox gas well location to test the Morrow formation 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 35, Township 18 South, Range 28 East, NMPM, North Turkey Track-Morrow Gas Pool, Eddy County, New Mexico. The W/2 of said Section 35 shall be dedicated to the well to form a standard 320-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 above-described unorthodox gas well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay", written over a horizontal line.

William J. LeMay
Director

WJL/MES/kv

cc: Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe
Kathy Valdes, OCD - Santa Fe

NSL - GAS. NS

Rec: 12-5-96
Dir: 12-26-96
Released 1-26-97

December 24, 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

3745

Administrative Order NSL-*****

Dear Mr. Carr:

Reference is made to your application on behalf of the operator, Mewbourne Oil Company, dated December 5, 1996, for approval to drill its Scanlon Draw "35" State Well No. 1 at an unorthodox gas well location to test the Morrow formation 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 35, Township 18 South, Range 28 East, NMPM, North Turkey Track-Morrow Gas Pool, Eddy County, New Mexico. The W/2 of said Section 35 shall be dedicated to the well to form a standard 320-acre gas spacing and proration unit for said pool.

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By the authority granted me under the provisions of Division General Rule 104.F(2), the above-described 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

Kathy Valdes, OIC - Santa Fe

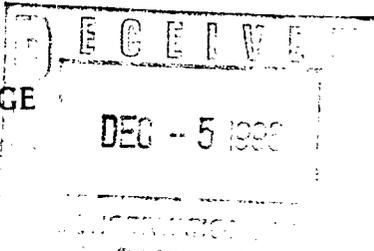
NSL 12/26/96

CAMPBELL, CARR, BERGE
& SHERIDAN, P.A.
LAWYERS

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

MICHAEL H. FELDEWERT
TANYA M. TRUJILLO
PAUL R. OWEN

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

December 5, 1996

HAND-DELIVERED

William J. LeMay, Director
Oil Conservation Division
New Mexico Department of Energy,
Minerals and Natural Resources
2040 South Pacheco Street
Santa Fe, New Mexico 87505

NSL - GAS. NS

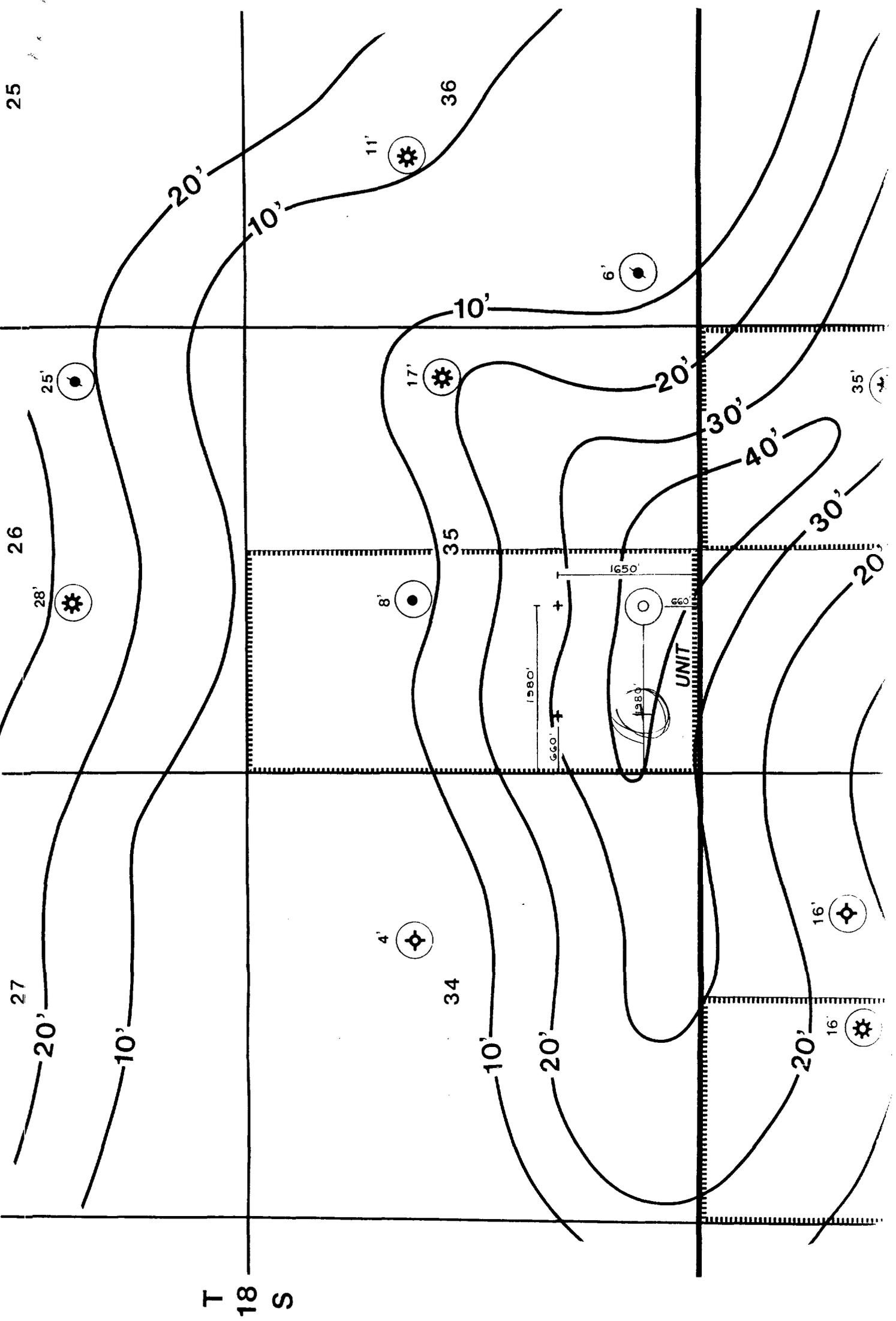
Re: *Application of Mewbourne Oil Company for Administrative Approval of an Unorthodox Well Location for its Scanlon Draw "35" State No. 1 Well, 660 feet from the South line and 1980 feet from the West line of Section 35, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.*

Dear Mr. LeMay:

Mewbourne Oil Company hereby seeks administrative approval pursuant to the provisions of Division Rule 104 F (2) adopted on January 18, 1996, of an unorthodox well location for its Scanlon Draw "35" State No. 1 Well to be drilled at an unorthodox well location 660 feet from the South line and 1980 feet from the West line Section 35, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

This location in the Morrow formation, North Turkey Track-Morrow Field, is unorthodox for geological reasons. Attached hereto as Exhibits A and B are a Lower Morrow Gross "Orange" Sandstone Isopach Map and a summary of the reasons supporting Mewbourne's requested unorthodox well location.

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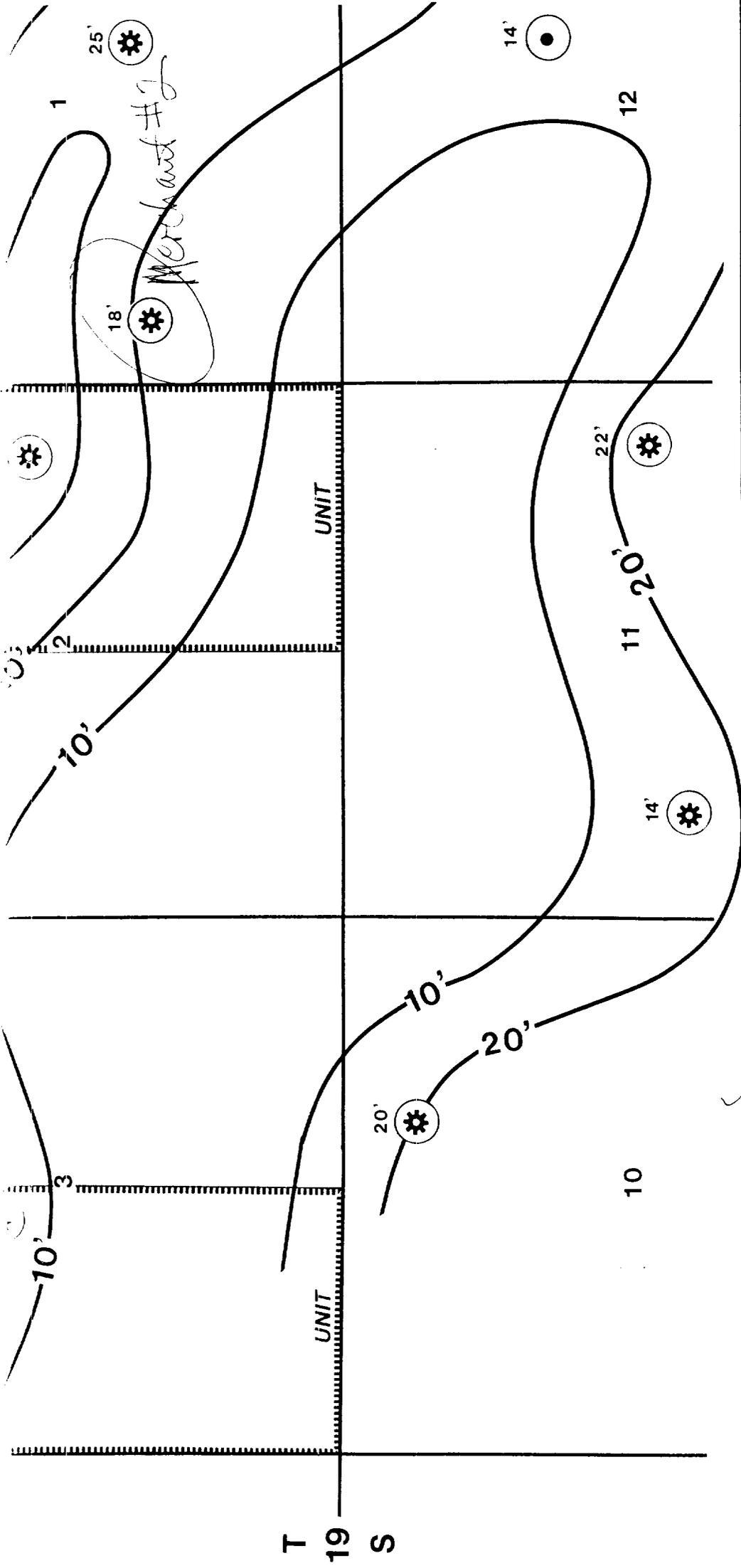
1580

660

1580

660

1580



MEWBOURNE OIL COMPANY
MIDLAND, TEXAS DISTRICT

SCANLON DRAW PROSPECT

W/2 - SECTION 35
T-18-S, R-28-E

EDDY COUNTY, NEW MEXICO

LOWER MORROW GROSS "ORANGE" SANDSTONE

C.I. = 10'

+ NEAREST STANDARD LOCATION

○ ORANGE SANDSTONE PRODUCER

[Handwritten signature]
Exhibit A

BY: RALPH MOORE

DATE: 11-20-64

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020
MIDLAND, TEXAS 79701

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

MEWBOURNE OIL COMPANY'S - SCANLON DRAW "35" STATE #1
NORTH TURKEY TRACK (MORROW) FIELD
SCANLON DRAW PROSPECT
Section 35(N)-T18S-R28E
Eddy County, New Mexico

UNORTHODOX DRILLSITE RECOMMENDATION:

The Lower Morrow "Orange" Sand is the primary objective for this 11,200' test. Stratigraphically the "Orange" Sand is located approximately 50' below the base of the Lower Morrow shale and is interpreted to be in a "channel sand" deposition facies. It is a significant gas producer in this area.

This will be a west-half (stand-up) proration unit and it is critical that the drillsite be located 660' FSL and 1980' FWL, Unit (N), Section 35, T18S-R28E. The east-half (Morrow) proration unit is dedicated to Anadarko Production Company's State "AC" Com. #1 located in unit (H), Section 35, T18S-R28E. Accordingly, an unorthodox location will be required to test this prospect.

The Lower Morrow Gross "Orange" Sand Isopach Map clearly illustrates the need for this unorthodox location. Morrow tests are the only wells shown on this map and the "Orange" Sand producers are indicated as such. The test well is an attempt to extend "Orange" Sand production to the northwest from the Bass Enterprise Production - Turkey Track "2" Well #1 located in Section 2(H), T19S-R28E.

Our interpretation suggests maximum "Orange" Sand development (approximately 40') at this unorthodox drillsite. Anadarko Production Company's New Mexico "AA" State #1 located in 35(F) was drilled in 1978 and has only 8' of gross "Orange" Sand. It was originally completed as a "Orange" Sand producer for 4.5 MMCFGPD and produced until it was **plugged back** in 1981 after producing (0.487 BCF and 2,522 barrels). This well is now operated by Xeric Oil & Gas Company and produces only from the Queen-Grayburg-San Andres section.

Our interpretation indicates that maximum "Orange" Sand thickness should be developed at this unorthodox location. The nearest orthodox location (1650' FSL and 1980' FWL) would encounter significantly less "Orange" Sand (approximately 28') and would compromise the economics of the test.

It is critical that the drillsite be located 660' FSL and 1980' FWL.

Ventures
 (West Yates)
 SDX Res.
 TD 3000 "E41"
 (SDX Res)
 (S1/2 N E1/4)
 80 81 82 83 84 86 88 91 92
 2.7 Mil. Devon State
 (L Dreyfus Gas) et al HBP
 Register
 29335
 Shannon
 29338
 Toomey-Allen
 29292

1
 (Yates) "A" (Mesa) "Gulf-St."
 2
 Hamon Oper.
 LG-2985
 2.7 Mil.
 St.-LG-2985
 Roach Drig.
 Gulf-St.
 TO 2957
 Gulf-State

Michael Yates
 Shearn E1286
 4-15-79 HBP
 L-2763 HBC
 HBC 926 Hondo
 Texas Michael
 Ind. Expl Shearn
 1-1-98 4-15-79
 VA-763 L-2763
 7700 HBC 926
 26 M. SpX Res.
 Shearn et al
 4-15-79 (9 Mil)
 L-2763 Hondo
 926
 1/2 HBC
 Trigg
 Sivley HBP
 8-6768

Mobil HBP
 B-11276
 W12 HBC
 Graber
 Wright
 102400
 Mack Ener. Corp.
 Loco Hills-St.
 Sol West, III
 Turkey Track
 Sol West, III
 Turkey Track
 4-15-79
 L-2763
 926

S West Nix-Curtis
 Sheldon-St.
 TO 2901
 4-15-79
 L-2763
 926
 Anadarko
 LG-4170
 Mobil HBP
 HBC E1/2
 B-11276
 Williams
 W. State
 TO 2720
 Tex.
 Pacific HBP
 061219
 Turkey Track-St.

30 SDX Res.
 647
 214.3
 (377.75)
 Hanagan Shamrock
 TO 11205
 ARCO
 YATES
 MARATHON
 DREYFUS
 V.S. Welch
 Est et al
 Sheesman HBP
 State 647
 TO 2340
 Medalion Prod.
 Carper Drig.
 34
 ARCO
 YATES
 MARATHON
 DREYFUS
 WELCH
 SPARKER
 AMOCO
 INTERCOAST
 State

R.W. Webb, et al
 L-1607
 2 AA
 MEWBOURNE
 (Anadarko)
 Miller
 E. Smith
 State
 TO 2902
 N.M. State

Anadarko HBP
 [926]
 Yates HBP
 Hondo
 E-pro. et al
 HBP
 E-1288
 ANADARKO
 us 33
 Cheeseman
 Merchant
 HBP
 E-326
 Yates
 Hondo
 HBP
 E-1298
 State

Yates Pet. et al
 4-1-98
 VA-865
 18 75
 McCoy, et al
 Ohio-St.
 TO 2945
 D/A 9-6-61
 Bone
 Sprs.
 Disc.
 F132
 Welch
 Gulf-St.
 E1 3428
 TO 2888
 D/A 11-21-55
 State

Anadarko
 2-1-87
 LG-4036
 L-3853
 429.7
 Internorth
 St. LG-4216
 Redfern Dey
 Marathon-St.
 TO 1190
 P/B 6488
 Anadarko
 Sun-Tex
 TO 6701
 J.H. Trigg
 Sivley
 Alscott
 TO 3003
 D/A 5-4-61

40.46 Maralo
 Yates
 HBP 648
 (Hanagan Pet. et al 1/2)
 "Millman-St."
 F Pool
 Avalon-St.
 TO 2148
 MARALO, INC.
 L Dreyfus Gas
 7.3 Mil.
 Stato
 State
 ARCO
 TO 11442
 YATES
 729 58
 MARATHON
 DREYFUS
 MARALO
 Maralo
 HBP
 06605
 State

ARCO
 YATES
 MARATHON
 DREYFUS
 647
 L Dreyfus Gas, et al
 20
 Texas New
 Mex Jev
 State
 TO 2978
 D/A 11-30-60
 Yates Pet.
 State
 Amoco
 HBP BASS
 E-435
 Bass Ent.
 Prod.
 (P.R. Bass et al)
 5.4 Mil.
 145bb15
 E-4397
 Turkey Track St.
 Santa Fe Ener.
 9-1-99
 V-4438
 351 72
 Yates Pet.
 State
 HA

40.66 Amoco
 HBP BASS
 E-435
 Bass Ent.
 Prod.
 (P.R. Bass et al)
 5.4 Mil.
 145bb15
 E-4397
 Turkey Track St.
 Santa Fe Ener.
 9-1-99
 V-4438
 351 72
 Yates Pet.
 State
 HA

40.70 Bass Ent. et al
 03
 L 4397
 Dual
 1.5 Mil
 145bb15
 Merchant-St.
 Bass Ent.
 (Striper Oil)
 0001 F-1680
 E-4397
 Palmilla-St.
 State

40.50 Bass Ent. et al
 03
 L 4397
 Dual
 1.5 Mil
 145bb15
 Merchant-St.
 Bass Ent.
 (Striper Oil)
 0001 F-1680
 E-4397
 Palmilla-St.
 State

SECTION 35-18S-28E
EDDY COUNTY, NEW MEXICO

EXHIBIT D

AFFECTED PARTIES

Application of Mewbourne Oil Company for
administrative approval of an unorthodox well location
Scanlon Draw "35" State Well No. 1
660 feet from the South line and 1980 feet from the West line
Section 35, Township 18 South, Range 28 East, NMPM
Eddy County, New Mexico

Maralo, Inc.
Post Office Box 832
Midland, Texas 79702
Attn: Mr. R.A. Lowery

Amoco Production Company
Post Office Box 3092
Houston, TX 77253
Attn: Mr. Jerry West

Bass Enterprises Production Company
Post Office Box 2760
Midland, TX 79702
Attn: Mr. John Smitherman

InterCoast Oil and Gas Company
7130 South Lewis Avenue, Suite 700
Tulsa, OK 74136
Attn: Mr. Rick Deffenbaugh

ARCO Permian
Post Office Box 1610
Midland, TX 79702-2600
Attn: Mr. Lee Scarborough

V.S. Welch Estate
1035 Carolyn Way
Beverly Hills, CA 70210

Yates Petroleum Corporation
105 South 4th Street
Artesia, NM 88210
Attn: Mr. Robert Bullock

Frank M. Parker
c/o Thomas G. Calhoun 11, Trustee
4429 North Central Expressway
Dallas, TX 75205

Marathon Oil Company
Post Office Box 552
Midland, TX 79702
Attn: Mr. Randal Wilson

Anadarko Petroleum Corporation
Post Office Box 2497
Midland, TX 79702
Attn: Mr. Kirk Ary

Louis Dreyfus Natural Gas
1400 Quail Springs Parkway, #600
Oklahoma City, OK 73134
Attn: Mr. Russell Waters

CAMPBELL, CARR, BERGE

& SHERIDAN, P.A.

LAWYERS

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

MICHAEL H. FELDEWERT
TANYA M. TRUJILLO
PAUL R. OWEN

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

December 5, 1996

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Maralo, Inc.
Post Office Box 832
Midland, Texas 79702
Attn: Mr. R. A. Lowery

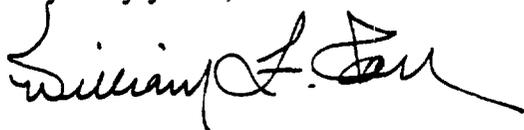
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Very truly yours,



WILLIAM F. CARR

enc.

cc: Mr. Steve Cobb

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& SHERIDAN, P.A.

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December 5, 1996

CERTIFIED MAIL
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Bass Enterprises Production Company
Post Office Box 2760
Midland, TX 79702
Attn: Mr. John Smitherman

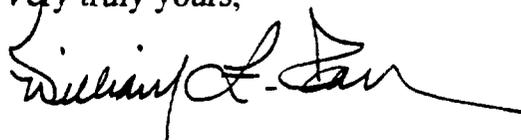
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ARCO Permian
Post Office Box 1610
Midland, TX 79702-2600
Attn: Mr. Lee Scarborough

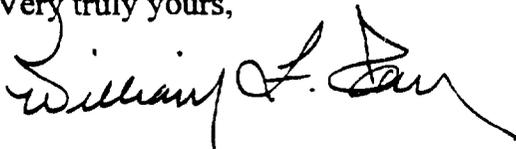
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Yates Petroleum Corporation
105 South 4th Street
Artesia, NM 88210
Attn: Mr. Robert Bullock

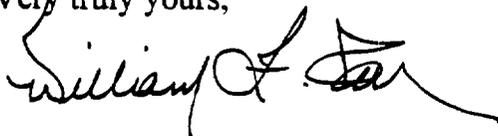
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December 5, 1996

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InterCoast Oil and Gas Company
7130 South Lewis Avenue, Suite 700
Tulsa, OK 74136
Attn: Mr. Rick Deffenbaugh

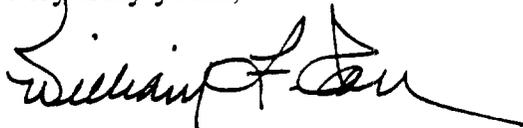
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TELECOPIER: (505) 963-6043

December 5, 1996

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Amoco Production Company
Post Office Box 3092
Houston, TX 77253
Attn: Mr. Jerry West

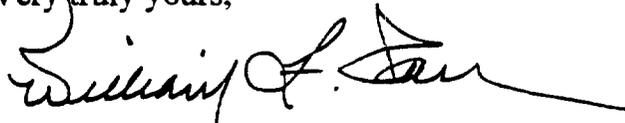
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CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Louis Dreyfus Natural Gas
1400 Quail Springs Parkway, #600
Oklahoma City, OK 73134
Attn: Mr. Russell Waters

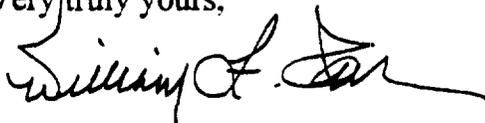
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December 5, 1996

CERTIFIED MAIL
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Marathon Oil Company
Post Office Box 552
Midland, TX 79702
Attn: Mr. Randal Wilson

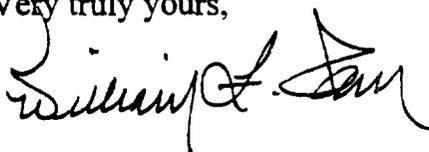
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cc: Mr. Steve Cobb

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V.S. Welch Estate
1035 Carolyn Way
Beverly Hills, CA 70210

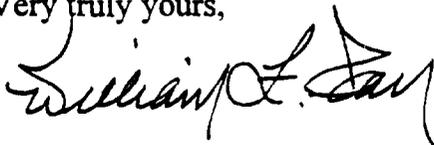
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Frank M. Parker
c/o Thomas G. Calhoun 11, Trustee
4429 North Central Expressway
Dallas, TX 75205

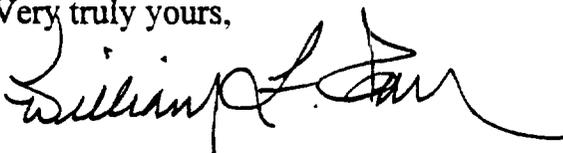
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Dear Mr. Parker:

Enclosed is a copy of the above-referenced application which was filed with the Oil Conservation Division on this date by Mewbourne Oil Company for administrative approval of an unorthodox well location for its proposed Scanlon Draw "35" State Well No. 1 to be drilled 660 feet from the South line and 1980 feet from the West line of Section 35, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

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Very truly yours,



WILLIAM F. CARR

enc.

cc: Mr. Steve Cobb

CAMPBELL, CARR, BERGE

& SHERIDAN, P.A.

LAWYERS

MICHAEL B. CAMPBELL
WILLIAM F. CARR
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POST OFFICE BOX 2208
SANTA FE, NEW MEXICO 87504-2208
TELEPHONE: (505) 988-4421
TELECOPIER: (505) 983-6043

December 5, 1996

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Anadarko Petroleum Corporation
Post Office Box 2497
Midland, TX 79702
Attn: Mr. Kirk Ary

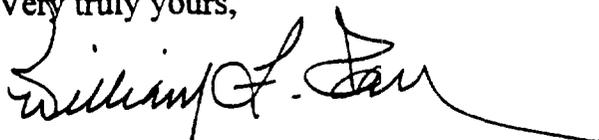
Re: *Application of Mewbourne Oil Company for administrative approval of an unorthodox well location for its Scanlon Draw "35" State Well No. 1, 660 feet from the South line and 1980 feet from the West line of Section 35, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.*

Gentlemen:

Enclosed is a copy of the above-referenced application which was filed with the Oil Conservation Division on this date by Mewbourne Oil Company for administrative approval of an unorthodox well location for its proposed Scanlon Draw "35" State Well No. 1 to be drilled 660 feet from the South line and 1980 feet from the West line of Section 35, Township 18 South, Range 28 East, N.M.P.M., Eddy County, New Mexico.

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Very truly yours,



WILLIAM F. CARR

enc.

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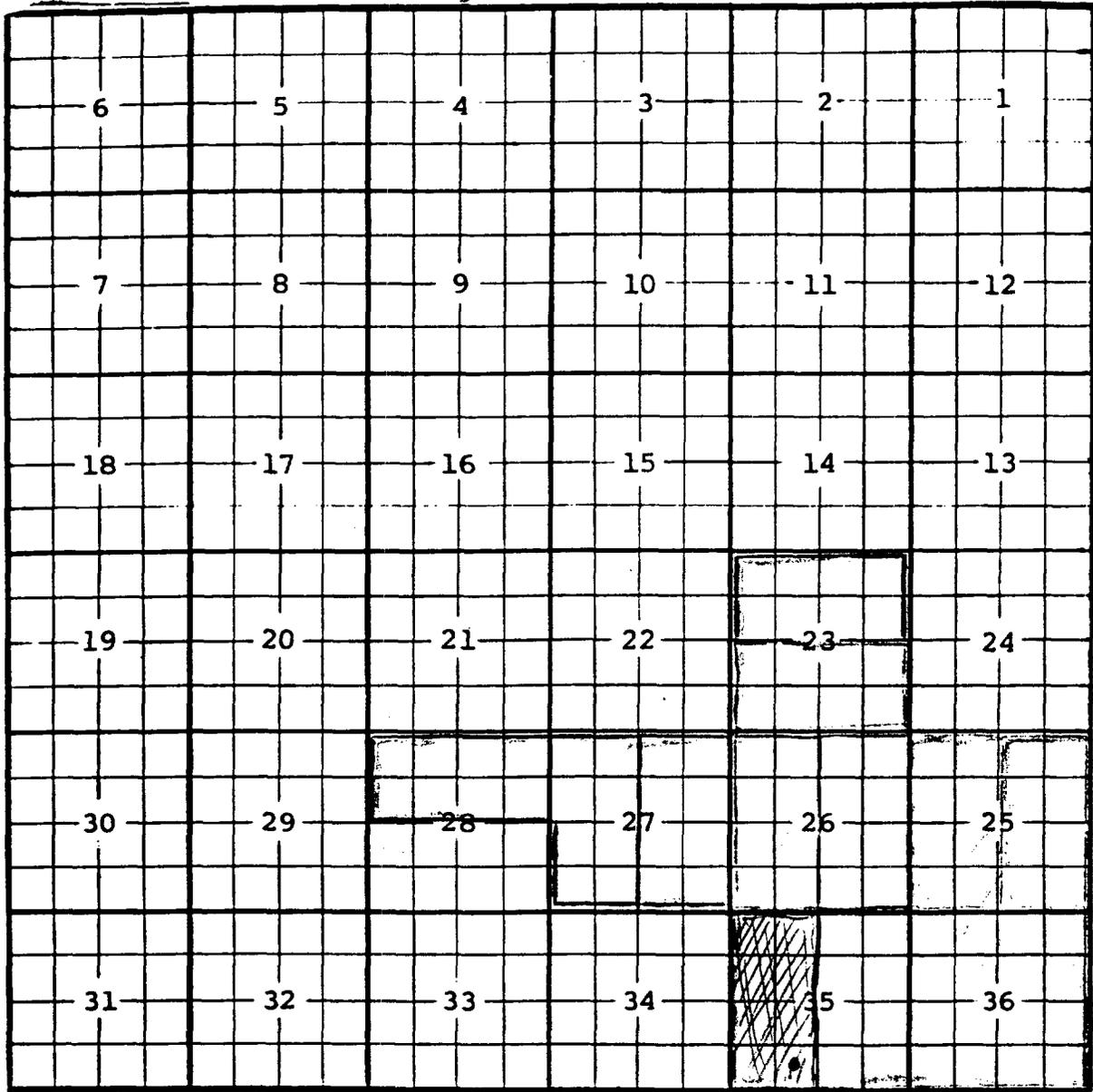
county Eddy

pool North Turkey Track - Morrow Gas

TOWNSHIP 18 South

Range 28 East

NMPM



Ext: $\frac{E}{2}$ Sec 25 (R-5667, 4-1-78) Ext: $\frac{W}{2}$ Sec 25 (R-5838, 11-1-78)

Ext: All Sec 35, All Sec 36 (R-5988, 5-1-79) Ext: $\frac{E}{2}$ Sec 26 (R-6211, 12-31-79)

Ext: $\frac{W}{2}$ Sec 26 (R-6420, 8-1-80) Ext: $\frac{E}{2}$ Sec 27 (R-7009, 6-19-82)

Ext: $\frac{W}{2}$ Sec 27 and $\frac{N}{2}$ Sec 28 (R-7131, 11-30-82)

Ext: Sec 23 $\frac{S}{2}$ (R-7193, 1-26-83) Ext: $\frac{N}{2}$ Sec 23 (R-7668, 9-21-84)