



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

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

March 4, 1997

Mewbourne Oil Company  
Attn: James Bruce  
P. O. Box 1056  
Santa Fe, New Mexico 87504

Telefax No. (505) 982-2151

Fasken Oil and Ranch, Ltd.  
Kellahin and Kellahin  
Attn: W. Thomas Kellahin  
P. O. Box 2265  
Santa Fe, New Mexico 87504

Telefax No. (505) 982-2047

Case 11723

Re: *Case No. 11,723, Application of Mewbourne Oil Company for authorization to drill a well at an unorthodox gas well location 660' FSL & 2310' FEL (Lot 31-Unit W) of irregular Section 1, Township 21 South, Range 25 East, NMPM, Catclaw Draw-Morrow Gas Pool and to dedicate said well to a non-standard 297.88-acre gas spacing and proration unit to comprise Lots 29, 30, 31, and 32 and the SW/4 (S/2 equivalent) of said Section 1*

Dear Messrs. Bruce and Kellahin:

Reference is made to: (i) Fasken Oil & Ranch, Ltd.'s request for continuance in the above-referenced case from the March 6, 1997 hearing to the hearing scheduled for April 3, 1997; (ii) Mr. Bruce's letter in response thereto dated March 3, 1997; (iii) Fasken's motion to dismiss Case No. 11,723 dated March 4, 1997; and, (iv) to Mr. Bruce's response "faxed" on March 4, 1997. Postponement for four weeks is not an unreasonable request since a similar application by Fasken to drill its proposed Avalon "1" Federal Com Well No. 2 on the same acreage at an unorthodox gas well location 2080' FSL & 750' FWL (Unit S) of said Section 1 is scheduled for hearing at that time. At the April 3, 1997 hearing the Division will also hear the evidence discussed in Fasken's motion to dismiss.

Therefore, a continuance of Case 11,723 to the April 3, 1997 docket is hereby approved and Fasken's motion to dismiss is denied at this time.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Artesia  
William J. LeMay, Director - OCD, Santa Fe  
Rand Carroll, Counsel - OCD, Santa Fe  
File: Case 11,723  
Fasken Oil & Ranch, Ltd. Case File