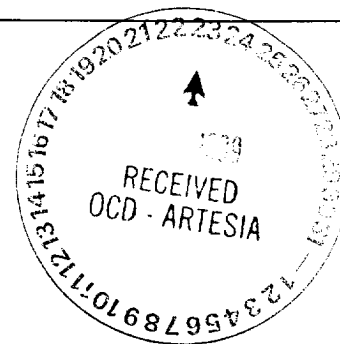




**NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT**

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

August 20, 1999



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

*Re: Application dated July 29, 1999 for Mewbourne Oil Company to drill its proposed Federal "R" Well No. 2 at an unorthodox gas well location within the Logan Draw-Morrow Gas Pool 1980' FSL & 660' FEL (I) of Section 17, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico.*

Dear Mr. Bruce:

On August 10, 1999 the Division received an objection from Chi Energy, Inc. to the subject application, see copy of a letter attached.

This application will therefore be set for hearing before a Division Hearing Examiner on the next available docket scheduled for September 16, 1999. Please provide adequate notice pursuant to Rule 1207.A(5) of the Division's Rules and Regulations.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 827-8185.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: **New Mexico Oil Conservation Division – Artesia**  
**U. S. Bureau of Land Management – Carlsbad**  
**Chi Energy, Inc. (Attention: John W. Qualls) – Midland, Texas**  
**Kathy Valdes, NMOCD – Santa Fe**

August 18, 1999

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

**Telefax No. (505) 982-2151**

*Administrative Order NSL-\*\*\*\**

Dear Mr. Bruce:

Reference is made to your application dated July 29, 1999 on behalf of the operator, Mewbourne Oil Company, for its proposed Federal "R" Well No. 2 to be drilled at an unorthodox Morrow gas well location 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 17, Township 17 South, Range 27 East, NMPM, Eddy County, New Mexico.

The S/2 of Section 17, being a standard 320-acre lay-down gas spacing and proration unit for the Logan Draw-Morrow Gas Pool, is to be dedicated to this well.

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 within the SE/4 of Section 17.

This application has been duly filed under the provisions of New Mexico Oil Conservation Division ("Division") Rule 104.F.

By the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox gas well location is hereby approved.

Sincerely,

Lori Wrotenbery  
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia  
U. S. Bureau of Land Management - Carlsbad