

# MEWBOURNE OIL COMPANY

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October 23, 2001

Mr. Tim Gum  
Supervisor  
New Mexico Oil and Gas Division  
1301 W. Grand Avenue  
Artesia, New Mexico 88210

RE: Mewbourne Oil Company  
Green "B" Federal No 11  
1780' FSL & 2080' FEL  
Section 7, T17S. R 29E  
Eddy County, New Mexico



Dear Mr. Gum,

Mewbourne Oil Company (MOC) is seeking administrative clarification and if needed re-classification as to the producing interval formation from 10,240' to 10,246' in the Green "B" Federal No 11. It appears that the sand developing in this portion of the stratigraphic column, proximate to limestone and shale units, is more closely related to the Atoka formation. A clear boundary between the Atoka and Morrow in this part of Eddy County is difficult to identify. The sand in question is 185' higher in the wellbore from the established Morrow pays throughout the area. This same member is only 110' lower in the wellbore to another sand member producing in an established Atoka gas pool. The State "MT" No 1 (1.25 mile northwest of the Green "B" Federal No 11) produced from a sand member classified into the North Empire Atoka Gas Pool. MOC seeks this clarification so that the Morrow perforations (from 10,432' to 10,581') in the Green "B" Federal No 11 may be permanently abandoned and the interval from 10,240' to 10,246' (proposed Lower Atoka) remain producing. This clarification would allow MOC the opportunity to drill an additional Morrow test in the SE/4 of section 7 to capture Morrow reserves that would not otherwise be produced from the Green "B" Federal No 11.

The Green "B" Federal No 11 was drilled and completed by General American Oil Company of Texas as a Morrow producer in July, 1981 into the South Empire Morrow Gas Pool. The well was perforated and completed naturally from 10,518' to 10,581' with a CAOF of 6.626 MMcf/gpd. MOC correlates these zones as the Lower Morrow Orange 2 and Lower Morrow Brown sands, some 50' below the base of the regionally identified Lower Morrow Shale Marker at 10468'.

Approximately five years later Phillips Petroleum conducted a workover to add other Morrow perforations to the producing Lower Morrow. The additional perforations were 10,432' to 10,449' (MOC's Middle Morrow Green 2 Sand), 10,454' to 10,459' (MOC's Middle Morrow Green 3 Sand) and 10,240' to 10,246' (MOC proposes to be a Lower Atoka sand). The well was put back on production flowing at a rate of 610 Mcfg per day from all the intervals combined. Production from the well was still reported in the South Empire Morrow Gas Pool. *Agree*

The next significant workover occurred in October 1999, when Aspen Oil, Incorporated attempted to stimulate the Middle Morrow horizon. A CIBP was set at 10,500' and capped with 2 sacks of cement (temporarily abandoning the Lower Morrow sands). Tubing was ran and a packer was set at 10,365' to further isolate the Middle Morrow section. Aspen Oil then re-perforated the wellbore from 10,432' to 10,449' and 10,454' to 10,460' (the Middle Morrow Green 2 and 3 sands). The Middle Morrow was

Top Atoka 9993  
Top Morrow ~ 10272  
Top Morrow cin ~ 10340  
— General American of Texas  
Green 'B' # 11  
per/Bryan Arant Oil Conservation Division