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VIA HAND DELIVERY

Michael E. Stogner
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico 87501

Re: Mewbourne Oil Company's Federal "V" Well No. 2; 660' FNL
and 2210' FEL (Unit B) of Section 8, Township 20 South,
Range 28 East, NMPM, Old Millman Ranch-Bone Spring
Associated Pool, Eddy County, New Mexico

Dear Mr. Stogner:

Pursuant to Rule 2 of Order No. R-5353, as amended, Mewbourne Oil Company hereby applies to the Division for administrative approval of an unorthodox gas well location for the above well.

The subject well was completed in the Bone Spring formation as an oil well on June 19, 1991. However, the well now has a gas:oil ratio in excess of 30,000:1, and thus is a gas well under Rule 5 of Order No. R-5353, as amended. The NE¼ of Section 8 is dedicated to the well.

The subject well is not within 150 feet of the center of a quarter-quarter section, as required by Rule 2, and thus is unorthodox. This application is required because notice of the unorthodox location was not given to the Artesia District Office by September 30, 1993, as required by ordering paragraph 4 of Order No. R-5353-M.

Attached hereto is a land plat. The well unit for the subject well is outlined in red. The circles indicate wells completed in the Bone Spring or deeper horizons (Morrow). The triangle indicates a proposed Bone Spring test (by Strata Production Company). The only offset operators/lessees are Strata Production Company and OXY U.S.A. Inc., to the northeast, east, and south. The offset operator to the north, northwest, and west is Mewbourne Oil Company. By copies of this letter, the offset operators or lessees are hereby notified of this application, to which they have 20 days to object.

This application is submitted in triplicate as required by Rule 2.

Very truly yours,

HINKLE, COX, EATON, COFFIELD
& HENSLEY



James Bruce
Attorneys for Mewbourne Oil Company

JB/bc

Enclosures

cc: ✓ Artesia District Office

D. Paul Haden

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Roswell, New Mexico 88201

OXY U.S.A. Inc. (Via Certified Mail)
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