

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



December 23, 2013

Mewbourne Oil Company
Attn: Mr. James Bruce

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6974
Administrative Application Reference No. pPRG1333654996

Mewbourne Oil Company
OGRID 14744
Salt Draw 2CN Draw Well 2H
API No. 30-015-41729

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	150 FNL & 1670 FWL	C	2	25S	28E	Eddy
Penetration Point	330 FNL & 1768 FWL	C	2	25S	28E	Eddy
Terminus	330 FSL & 1980 FWL	N	2	25S	28E	Eddy

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
Lots 3,4; S/2 NW/4; and SW/4 of Section 2	321.9	WC;Salt Draw;Wolfcamp, (G)	97721

Reference is made to your application received on December 2, 2013

You have requested to drill this horizontal well at an unorthodox gas well location described above in the referenced pool or formation. This location is governed by statewide Rule 15.10.B [19.15.15.10.B NMAC], which provides for 320-acre units, with wells located at least 660 feet from a unit outer boundary. This location is less than 660 feet from a unit boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

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It is our understanding that you are seeking this location for engineering reasons, in order to maximize production of hydrocarbons underlying this project area without waste.

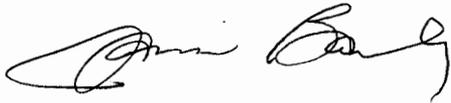
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey". The signature is fluid and cursive, with a large loop at the beginning and a long tail at the end.

Jami Bailey
Director

JB/mam

cc: New Mexico Oil Conservation Division – Artesia