



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

June 2, 2005

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Mewbourne Oil Company
c/o **Holland & Hart, L. L. P.**
P. O. Box 2208
Santa Fe, New Mexico 87504-2208

Attention: Ocean Munds-Dry
omundsdry@hollandhart.com

Administrative Order NSL-5213

Dear Ms. Munds-Dry:

Reference is made to the following: (i) your application on behalf of the operator, Mewbourne Oil Company ("MOC") that was submitted to the New Mexico Oil Conservation Division ("Division") in Santa Fe, New Mexico on May 12, 2005 (**administrative application reference No. pSEM0-513349873**); and (ii) the Division's records in Artesia and Santa Fe: all concerning MOC's request for an unorthodox Bone Spring oil well location for its proposed Tamano "10" Federal Well No. 5 to be drilled 660 feet from the South line and 1175 feet from the West line (Unit M) of Section 10, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico. The SW/4 SW/4 of Section 10 is to be dedicated to this well in order to form a standard 40-acre oil spacing and proration unit within the Tamano-Bone Spring Pool (**58040**).

Your application for MOC has been duly filed under the provisions of Division Rules 104.F and 1207.A (2).

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox oil well location will be at a more favorable geologic position within the potentially productive interval within "zone A reservoir of the Second Bone Spring sand than a well drilled at a location considered to be standard within the proposed standard 40-acre oil spacing and proration unit.

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

Sincerely,

Mark E. Fesmire, P. E.

Director

MEF/ms

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