

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Tony Delfin
Acting Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



September 26, 2016

Mewbourne Oil Company
Attn: Mr. Mitchell Robb

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7460

Mewbourne Oil Company
OGRID 14744
West Loving 12 W2EH State Com Well No. 1H
API No. 30-015-42852

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	2310' FNL & 235' FWL	E	12	24S	27E	Eddy
Penetration Point	2310' FNL & 330' FWL	E	12	24S	27E	Eddy
Final perforation (Terminus)	2310' FNL & 330' FEL	H	12	24S	27E	Eddy

Proposed Gas Spacing Unit:

<u>Description</u>	<u>Acres</u>	<u>Formation (Product)</u>	<u>Pool Code</u>
N/2 of Section 12	320	Black River; Wolfcamp East (Gas)	97442

Reference is made to your application received on August 15, 2016.

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 Division Rule 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 unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed gas spacing unit than any location that would be a standard location under the applicable pool rules.

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

It is our understanding that the Applicant is seeking this location in order to maximize the recovery of oil and gas reserves from the pool underlying the N/2 of Section 12.

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 19.15.4.12 A (2) NMAC, in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved in order to prevent waste and protect correlative rights.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

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



DAVID R. CATANACH
Director

DRC/lrl

cc: Oil Conservation Division – Artesia District Office
State Land Office – Oil, Gas, and Minerals Division