



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

December 27, 1996

Mewbourne Oil Company
c/o **Campbell, Carr, Berge & Sheridan, P.A.**
P. O. Box 2208
Santa Fe, New Mexico 87504

Attention: William F. Carr

Administrative Order NSL-3745

Dear Mr. Carr:

Reference is made to your application on behalf of the operator, Mewbourne Oil Company, dated December 5, 1996, for approval to drill its Scanlon Draw "35" State Well No. 1 at an unorthodox gas well location to test the Morrow formation 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 35, Township 18 South, Range 28 East, NMPM, North Turkey Track-Morrow Gas Pool, Eddy County, New Mexico. The W/2 of said Section 35 shall be dedicated to the well to form a standard 320-acre gas spacing and proration unit for said pool.

The geologic interpretation submitted with this application indicates that a well drilled at the proposed unorthodox gas well location will be at a more favorable geologic position within the Morrow formation than a well drilled at a location considered to be standard.

The application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division ("Division"), revised by Division Order No. R-10533, issued by the Oil Conservation Commission in Case 11,351 on January 18, 1996.

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

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is written over a large, stylized "L" that extends down the page.

William J. LeMay
Director
WJL/MES/kv

cc: Oil Conservation Division - Artesia
New Mexico State Land Office - Santa Fe
Kathy Valdes, OCD - Santa Fe