



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Daniel Sanchez
Acting Division Director
Oil Conservation Division

Harrison H. Schmitt
Cabinet Secretary-Designate



January 24, 2011

Mr. James Bruce
P.O. Box 1056
Santa Fe, NM 87504

Administrative Order NSL-6319

**Re: Mewbourne Oil Company
Zebra 16 State Com. Well No. 1
API No. 30-025-40000
330 feet FSL & 385 feet FWL
Unit M, Section 16-17S-35E
Lea County, New Mexico**

Dear Mr. Bruce:

Reference is made to the following:

(a) your application (**administrative application reference No. pTGW11-00336331**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico, on behalf of Mewbourne Oil Company [OGRID14744] (Mewbourne), on December 30, 2010, and

(b) the Division's records pertinent to this request.

Mewbourn has requested to drill the above-referenced well as a horizontal well in the Abo formation, at a location that will be unorthodox under Division Rule 16.14.B(2). The proposed surface location, point of penetration and terminus of the well are as follows:

Surface Location: 330 feet from the South line and 385 feet from the West line
(Unit M) of Section 16, Township 17 South, Range 35 East, NMPM,
Lea County, New Mexico

Point of Penetration: same as surface location

Terminus 330 feet from the North line and 385 feet from the West line
(Unit D) of said section

Oil Conservation Division
1220 South St. Francis Drive • Santa Fe, New Mexico 87505
Phone (505) 476-3440 • Fax (505) 476-3462 • www.emnrd.state.nm.us/OCD



The W/2 W/2 of Section 16 will be dedicated to the proposed well to form a 160-acre project area comprising two standard 80-acre spacing units in the undesignated North Vacuum Abo Pool (61760). Spacing in this pool is governed by the Special Rules and Regulations for the North Vacuum Abo Pool, as provided in Order R-2421, effective March 1, 1963, which provide for 80-acre units, and require that the first well on any unit be located within 200 feet of the center of a quarter-quarter section. This location is unorthodox because a portion of the producing interval will be outside the producing area.

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

It is our understanding that you are seeking this location for geologic and engineering reasons.

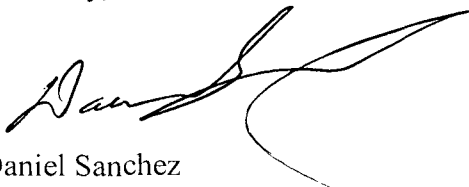
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

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.

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 'Daniel Sanchez', with a long, sweeping horizontal stroke extending to the right.

Daniel Sanchez
Acting Director

DS/db

cc: New Mexico Oil Conservation Division - Hobbs
New Mexico State Land Office - Santa Fe