

MEWBOURNE OIL COMPANY

500 W. TEXAS, SUITE 1020

MIDLAND, TEXAS 79701

915/682-3715

November 30, 1989

Mr. Michael Stogner
New Mexico Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87504

RE: Five Mile Prospect
W/2 of Section 9, T18S, R26E,
Eddy County, New Mexico

Dear Mr. Stogner:

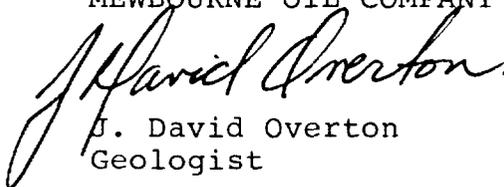
Mewbourne Oil Company finds it necessary to apply for and receive an unorthodox location to drill a well on its Five Mile Prospect located in the W/2 of Section 9, T18S-R26E, Eddy County, New Mexico. A location 990' FSL (nearest end boundary) and 660' FWL (nearest side boundary) in Section 9 would give Mewbourne Oil Company a reasonable opportunity to encounter greater than 10 feet of the Lower Morrow "A" Channel Sand and thus a greater likelihood of making an economic well.

The enclosed net porous sand isopach of the Lower Morrow "A" Sand shows a channel trending northwest to southeast across the proposed location. The greatest thickness of Lower Morrow "A" Sand encountered, within a mile of the proposed location, is the 12 feet found in the Yates Petroleum Corporation Chumbley "XS" Com #1 in the SW/4NE/4 of Section 8. Other wells in the immediate area which encountered less than 10 feet of the Lower Morrow "A" Channel Sand are uneconomic. Atoka-Morrow Stratigraphic Cross Section A to A' shows the correlations of the Lower Morrow "A" Channel Sand along the mapped trend. Atoka-Morrow Stratigraphic Cross Section B to B' shows that the Lower Morrow "A" Channel Sand is not found in either of the wells drilled in Section 9. The two feet of clean nonporous sand found in the Spencer Com #1 is a flood stage deposit which is also found in several other wells in the area. Structure on the top of the Lower Morrow shows regional dip to the southeast. The geological data presented by the map and cross sections support Mewbourne Oil Company's view that the proposed unorthodox location is reasonable and necessary to give Mewbourne Oil the opportunity to encounter enough of the Lower Morrow "A" Channel Sand to make an economic well.

Mewbourne Oil Company has notified the offset operators and unleased mineral owners of its intention to apply for this unorthodox location.

Sincerely,

MEWBOURNE OIL COMPANY



J. David Overton
Geologist