



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

January 2, 1997

Mewbourne Oil Company
c/o Hinkle, Cox, Eaton, Coffield & Hensley, L.L.P.
P. O. Box 2068
Santa Fe, New Mexico 87504-2068
Attn: James Bruce

30-015-16701

Administrative Order NSL-3747

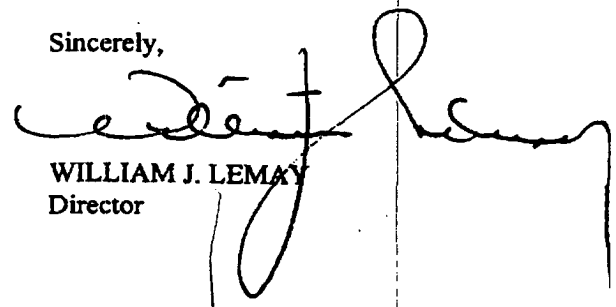
Dear Mr. Bruce:

Reference is made to your application on behalf of the operator Mewbourne Oil Company ("Mewbourne") dated November 20, 1996 for a non-standard gas well location 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 7, Township 20 South, Range 28 East, NMPM, Burton Flat-Morrow Gas Pool, Eddy County, New Mexico, for the existing Burton Flat "7" Federal Well No. 1 (API No. 30-015-26701). The subject well was originally drilled in 1991 and completed in the Burton Flat-Morrow Gas Pool whereby the E/2 of said Section 7 was dedicated to said well to form a standard "stand-up" 320-acre gas spacing and proration unit. This location is considered to be "standard" for the original stand-up 320-acre unit. It is our understanding at this time that Mewbourne intends to reorient the acreage dedicated to the Burton Flat "7" Federal Well No. 1 from the present stand-up 320-acre unit to a standard 325.16-acre "lay-down" gas spacing and proration unit comprising Lots 3 and 4, the E/2 SW/4, and SE/4 (S/2 equivalent) of said section 7 and, pursuant to the applicable rules and procedures for the Burton Flat-Morrow Gas Pool [see Division General Rule 104.C(2)(b) and Division Order No. R-8170-E-1], said gas well location is now considered to be "unorthodox".

The subject 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,



WILLIAM J. LEMAY
Director

WJL/MES/kv

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