



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson

Governor

Joanna Prukop

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

May 2, 2003

Mewbourne Oil Company
c/o James Bruce
P. O. Box 1056
Santa Fe, New Mexico 87504-1056

Telefax No. (505) 982-2151

Administrative Order NSL-4871

Dear Mr. Bruce:

Reference is made to the following: (i) your application on behalf of the operator, Mewbourne Oil Company ("Mewbourne") dated April 30, 2003 (*administrative application reference No. pKRV0-312151388*); and (ii) the records of the New Mexico Oil Conservation Division ("Division") in Santa Fe, including the file on Division Administrative Orders NSP-1281 and SD-00-02: all concerning Mewbourne's request for an unorthodox Atoka gas well location for its existing Green "B" Federal Well No. 11 (API No. 30-015-23754), located 1780 feet from the South line and 2080 feet from the East line (Unit J) of Section 7, Township 17 South, Range 29 East, NMPM, Eddy County, New Mexico.

Lots 3 and 4, the E/2 SW/4, and the SE/4 of Section 7, being a standard 292.96-acre lay-down gas spacing unit for the shallower Undesignated North Empire-Atoka Gas Pool (76377) [see Division Rule 104.D (2) (a), revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999], is to be dedicated to this well.

This application has been duly filed under the provisions of Division Rule 104.F, as revised.

It is the Division's understanding that the subject well was initially drilled in 1981 by General American Oil Company of Texas and completed in the South Empire-Morrow Gas Pool (76400) within the S/2 equivalent of Section 7, which was the subject of Division Administrative Order NSP-1281, dated January 7, 1982, at a location considered to be standard at that time.

It is further understood that the Morrow interval is no longer producing and is to be abandoned at this time and that Mewbourne intends to plug the well back and recomplete up-hole into the Atoka formation; however, pursuant to Division Rule 104.C (2) (a), as revised, this location is now unorthodox for the Undesignated North Empire-Atoka Gas Pool.

cc: Hobbs
Midland
Allen B.

Wayne S.

Bill T.

C. Little

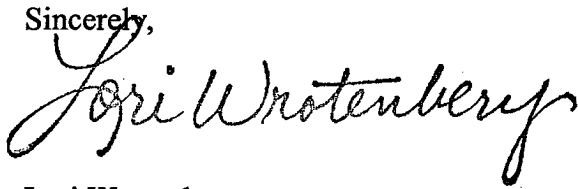
Sue H.

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By the authority granted me under the provisions of Division Rule 104.F (2), as revised, the above-described unorthodox Atoka gas well location within this 292.96-acre unit comprising the S/2 equivalent of Section 7 is hereby approved.

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

Sincerely,

A handwritten signature in cursive script, reading "Lori Wrotenbery". The signature is written in dark ink and is positioned below the word "Sincerely,".

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad
File: NSP-1281
SD-00-02