

Case Nos. 11648/11670

Order No. R-10723

Page 2

---

(ii) well location restrictions which vary depending on GPU size:

(a) 640 acres - gas wells can be no closer than 1650 feet to the outer boundary of the section and no nearer than 330 feet to any governmental quarter-quarter section or subdivision inner boundary line;

(b) a maximum of 600 acres - gas wells can be no closer than 990 feet to the outer boundary of said tract and no nearer than 330 feet to any governmental quarter-quarter section or subdivision inner boundary line;

(c) a maximum of 320 acres - gas wells can be no closer than 660 feet to the nearest side boundary of the dedicated tract, nor closer than 990 feet to the nearest end boundary, nor closer than 330 feet to any governmental quarter-quarter section or subdivision inner boundary line;

(d) a maximum of 160 acres - gas wells can be no closer than 660 feet to the outer boundary of said tract and no nearer than 330 feet to any governmental quarter-quarter section or subdivision inner boundary line; and,

(iii) the allocation of both oil and gas production.

(4) By Administrative Order NSP-7, dated October 1, 1954, the Division authorized the S/2 of Section 21, Township 19 South, Range 37 East, NMPM, Lea County, New Mexico, to be operated within the Eumont Gas Pool as a non-standard 320-acre GPU. Since that time the Huston Com. Well No. 1 (API No. 30-025-05679), located at a standard gas well location for this 320-acre GPU 1650 feet from the South line and 1830 feet from the West line (Unit K) of said Section 21 has been the active well for this GPU.

(5) The current operator of this 320-acre unit and Huston Com. Well No. 1 is Mewbourne Oil Company ("Mewbourne").

(6) Mewbourne, as the applicant in Case 11648, requested with its original application dated October 15, 1996 for an order pooling all mineral interests from the surface to the base of the Queen formation underlying the following described acreage in said Section 21 and in the following manner: (a) the S/2 to form a non-standard 320-acre spacing and proration unit for the