

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Michelle Lujan Grisham**  
Governor

**Sarah Cottrell Propst**  
Cabinet Secretary

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Deputy Cabinet Secretary

**Dylan M. Fuge, Director**  
Oil Conservation Division



Ms. Paula M. Vance  
[mpvance@hollandhart.com](mailto:mpvance@hollandhart.com)

NON-STANDARD LOCATION

**Administrative Order NSL - 8645**

**XTO Permian Operating, LLC [OGRID 373075]  
James Rance Unit DI 7 Sawtooth Well No. 708H  
API No. 30-015-PENDING**

**Proposed Location**

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	155 FNL & 1400 FEL	2	06	23S	31E	Eddy
First Take Point	330 FNL & 110 FEL	1	07	23S	31E	Eddy
Last Take Point	2540 FNL & 110 FEL	H	18	23S	31E	Eddy
Terminus	2590 FNL & 110 FEL	H	18	23S	31E	Eddy

**Proposed Horizontal Units**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 E/2 of Section 06	399.98	Los Medanos; Bone Spring	40295
E/2 E/2 of Section 07			
E/2 NE/4 of Section 18			

Reference is made to your application received on September 7<sup>th</sup>, 2023.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. 19.15.16.15(B)(1)(a) NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal well's completed interval penetrates, each of which consists of a governmental quarter - quarter section or equivalent.

This well's completed interval is as close as 110 feet to the western edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 05, encroachment to the W/2 W/2  
Section 08, encroachment to the W/2 W/2  
Section 18, encroachment to the W/2 NW/4

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The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in 19.15.2.7(A)(8) NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands you are seeking this unorthodox location as your preferred well spacing plan for horizontal wells in this area, thereby maximizing recovery within the Bone Spring formation underlying E/2 E/2 of Section 06, E/2 E/2 of Section 07 and the E/2 NE/4 of Section 18.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per 19.15.15.13 (B) NMAC, **Division approves this unorthodox location.**

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.

  
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**Dylan M. Fuge**  
**Division Director**

10/9/23  
\_\_\_\_\_  
**Date**

DMF/lrl

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
Phone:(575) 393-6161 Fax:(575) 393-0720  
**District II**  
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Phone:(575) 748-1283 Fax:(575) 748-9720  
**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
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**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS

Action 274306

CONDITIONS

Operator: XTO PERMIAN OPERATING LLC. 6401 HOLIDAY HILL ROAD MIDLAND, TX 79707	OGRID: 373075
	Action Number: 274306
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	10/10/2023