

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Dylan M. Fuge
Deputy Secretary (Acting)

Dylan M. Fuge, Director
Oil Conservation Division



ADMINISTRATIVE NON-STANDARD HORIZONTAL SPACING UNIT

Mr. Brad Dunn
bdunn@mewbourne.com

Administrative Order NSP - 2174

Mewbourne Oil Company [OGRID 14744]

Penny 34 36 Federal Com Well No. 711H [API No. 30-015-PENDING]

Penny 34 36 Federal Com Well No. 713H [API No. 30-015-PENDING]

Penny 34 36 Federal Com Well No. 716H [API No. 30-015-PENDING]

Penny 34 36 Federal Com Well No. 718H [API No. 30-015-PENDING]

Located in E/2 Section 34, all of Section 35, and W/2 Section 36

T22S, R26E, Eddy County, New Mexico

Reference is made to your application received on September 11th, 2023.

You have requested approval of a non-standard horizontal spacing unit as follows:

Proposed Horizontal Spacing Unit:

Description	Acres	Pool	Pool Code
E/2 of Section 34	1280	Purple Sage; Wolfcamp	98220
All of Section 35			
W/2 of Section 36			

The proposed horizontal spacing unit does not consist of a quarter section or equivalent in the described Sections, as required by Rule 19.15.16.15(B)(3) NMAC. A request for a larger spacing unit per 19.15.16.15.(B)(3)(4) NMAC has been submitted. The request to deviate from standard has met all requirements of (7) of R – 14262 and 19.15.16.15 (B)(3)(5) NMAC. It is understood that you are seeking this exception in order to create a non-standard horizontal spacing unit, comprised of the Proposed Horizontal Spacing Unit referenced above.

The request includes completion of this horizontal well as a gas well described above in the referenced pool or formation. This well is governed by special rules, R - 14262, for the Purple Sage; Wolfcamp (Gas) Pool and provides for 320-acres, comprising any two contiguous quarter sections of a single governmental section.

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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 Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units which are to be affected by the increased HSU acreage.

You have requested this non-standard horizontal spacing unit to eliminate the need for separate production facilities, reducing additional administrative approvals, flexibility in locating additional lateral and infill wells all within the Wolfcamp formation. Thereby, preventing waste underlying the E/2 of Section 34, all of Section 35 and the W/2 of Section 36, while protecting the correlative rights within the referenced Horizontal Spacing Unit.

Pursuant to the authority conferred by Division Rule 19.15.16.15(B)(5) NMAC, the above-described **non-standard horizontal spacing unit is hereby approved**. Further, the Applicant may add additional wells to the horizontal spacing unit. The additional well(s) shall be designated to the same horizontal spacing unit and pool/formation. Submit a Change of Plans to the OCD's permitting website. Once submitted, email the Action ID number to the following e-mail address: ocd.engineer@emnrd.nm.gov of notice for additional wells.

General Provisions

The above approvals are subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

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



DYLAN M. FUGE
DIRECTOR
DMF/lrl

Date: 10/20/2023

District I
1625 N. French Dr., Hobbs, NM 88240
Phone:(575) 393-6161 Fax:(575) 393-0720
District II
811 S. First St., Artesia, NM 88210
Phone:(575) 748-1283 Fax:(575) 748-9720
District III
1000 Rio Brazos Rd., Aztec, NM 87410
Phone:(505) 334-6178 Fax:(505) 334-6170
District IV
1220 S. St Francis Dr., Santa Fe, NM 87505
Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 278670

CONDITIONS

Operator: MEWBOURNE OIL CO P.O. Box 5270 Hobbs, NM 88241	OGRID: 14744
	Action Number: 278670
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	10/24/2023