

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey, Division Director
Oil Conservation Division



November 28, 2013

Texland Petroleum L.P.
Attn: Ms. Vicki Smith

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6895
Administrative Application Reference No. pPRG1331041119

Texland Petroleum L.P.
OGRID 113315
J.R. Holt Well No. 3
API No. 30-025-

Proposed Location:

<u>Footages</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
830 FNL & 1060 FWL	D	2	17S	37E	Lea

Proposed Unit:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N/2 NW/4 of Section 2	80	Shipp Strawn	55695

Reference is made to your application received on October 23, 2013.

You have requested to drill this well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by the special rules for the Shipp Strawn, which provide for 80-acre units, with wells located not more than 150 feet from the center of a quarter-quarter section. This location is unorthodox because the proposed location is closer to outside boundaries that would be a standard location under the applicable pool rules.

Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location to maximize production of hydrocarbons in the proration unit.

November 27, 2013

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It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

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

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey", is written over a horizontal line.

Jami Bailey
Director

JB/mam

cc: New Mexico Oil Conservation Division – Hobbs