Thank you for the notes. I always appreciate your guidance.

Sarah

Sent from my iPhone

On Jun 18, 2020, at 5:07 PM, Lowe, Leonard, EMNRD <Leonard.Lowe@state.nm.us> wrote:

[EXTERNAL] Ms. Sarah Chapman,

For future inquires on a supposed NSL well. If the Operator meets the below referenced rules, then no NSL is required.

## NMAC <u>19.15.16.15</u> Horizontal Wells: (B) Well Spacing (8) Unitized areas:

For a horizontal well the completed interval of which is located wholly area or an area with uniform ownership as to the mineral estate in the objective formation, the horizontal spacing unit configuration requirements of Subparagraphs (c) and (d) of Paragraph (1), and Subparagraph (c) of Paragraph (2) of Subsection B of <u>19.15.16.15</u> NMAC do not apply.

## NMAC <u>19.15.16.15</u> Horizontal Wells: (C) Setbacks: (7) Unitized areas:

For a horizontal well the completed interval of which is located wholly within in a unitized area or an area with uniform ownership as to the mineral estate in the objective formation, the setbacks prescribed in Subsection C of 19.15.16.15 NMAC apply only to the outer boundaries of the unitized area, area of uniform ownership or of any uncommitted tract or partially committed tract, instead of the outer boundaries of the horizontal spacing unit.

## Leonard R. Lowe

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