

Approved

NSL

Order

Approved: 10/08/20

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne E. Sandoval, Director
Oil Conservation Division



October 8, 2020

Mr. Brian Wood
brian@permitswest.com

NON-STANDARD LOCATION

Administrative Order NSL-8089

Armstrong Energy Corporation [OGRID 1092]
Ruth 20 Well No. 2
API No. 30-025-36866

Surface Location; Vertical Well

<u>Footages</u>	<u>`Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
523 FNL & 841 FWL	D	20	16S	36E	Lea

Proposed Oil Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
NW/4 of Section 20	160	Shoe Bar; Wolfcamp, North	56295

Reference is made to your application received on October 2, 2020.

This vertical well was drilled at an unorthodox oil well location described above in the referenced pool and formation. This location is governed by special pool rules, R-4657, which provides for 160 acres and for wells to be located within 150 feet of the center of a governmental quarter-quarter section or Lot.

This well's completed interval is as close as 31 feet to the eastern edge. Encroachment will impact the following tracts.

Section 20, encroachment to the NE/4 NW/4

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 towards which the proposed location encroaches. However, the ownership is identical in within all the affected tracts; therefore, notice is not required.

Division understands that this well is being recompleted in another pool/formation that locates this well at an unorthodox location underlying the NW/4 of Section 20. Division understands that your completion in this new zone will recover additional reserves and prevent waste by minimizing development costs.

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

Per Subsection B of 19.15.15.13 NMAC, **Division approves this unorthodox location.**

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.



ADRIENNE E. SANDOVAL
Division Director

AES/lrl

cc: Oil Conservation Division – Hobbs District Office
State Land Office – Oil, Gas, and Mineral Division

From: [Lowe, Leonard, EMNRD](#)
To: ["brian@permitswest.com"](mailto:brian@permitswest.com)
Cc: [Bratcher, Mike, EMNRD](#); [Kautz, Paul, EMNRD](#); ["lisa@rwbyram.com"](mailto:lisa@rwbyram.com); [Scott Cox](#); [Simmons, Kurt, EMNRD](#); [Garcia, John A, EMNRD](#); [Holm, Anchor E.](#)
Subject: APPROVED NSL-8089_Armstrong Energy Corporation_Ruth 20 Well No. 2_SEC 20 16S 36E
Date: Monday, October 26, 2020 10:47:00 AM
Attachments: [NSL-8089_Armstrong Energy Corp. Ruth 20 Well No. 2 ORDER.10.12.20pdf.pdf](#)
Importance: High

Mr. Brian Wood,

The following NSL Administrative Order has been issued and will soon be available on the Division's web site:

<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

NSL	AMD	Applicant	OGRID	WELL NAME	API #
8089	-	Armstrong Energy Corporation	1092	Ruth 20 Well No. 2	30-025-36866

A copy of this approved order is attached.

Leonard R. Lowe

Engineering Bureau

OCD - EMNRD

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<http://www.emnrd.state.nm.us/ocd/>