

Approved

NSL

Order

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



April 12, 2021

Mr. Brian Wood,
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NON-STANDARD LOCATION

Administrative Order NSL-8161

**Colgate Operating, LLC [OGRID 371449]
Lady Franklin 25 State Well No. 132H
API No. 30-015-46300**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1135 FNL & 265 FWL	D	25	19S	28E	Eddy
First Take Point	2301 FNL & 279 FWL	E	25	19S	28E	Eddy
Last Take Point	2302 FNL & 101 FEL	H	25	19S	28E	Eddy
Terminus	2302 FNL & 18 FEL	H	25	19S	28E	Eddy

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S/2 N/2 of Section 25	160	Winchester; Bone Spring	65010

Reference is made to your application received on March 17, 2021.

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 oil 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 72 feet to the southern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 25, encroachment to the N/2 S/2

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.

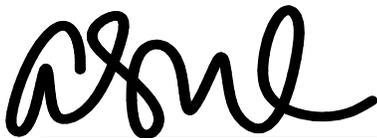
Division understands you are seeking this unorthodox location due to drilling difficulties and the interest of maximizing recovery of resources within the Bone Spring formation underlying S/2 N/2 of Section 25

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.**

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 – Artesia District Office
State Land Office – Oil, Gas, and Minerals Division