Approved

NSP

Order

State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham

Governor

Sarah Cottrell Propst Cabinet Secretary

Todd E. Leahy, JD, Ph.D Deputy Cabinet Secretary Adrienne E. Sandoval, Director Oil Conservation Division



September 14th, 2021

Mr. Cy Shook cshook@mewbourne.com

Administrative Order NSP-2127

ADMINISTRATIVE NON-STANDARD HORIZONTAL SPACING UNIT

Mewbourne Oil Company [OGRID 14744]

Armstrong 26 33 W1GG Federal Com Well No. 3H [API No. 30-015-46311]

Armstrong 26 33 W0GG Federal Com Well No. 4H [API No. 30-015-PENDING]

Armstrong 26 33 W1GG Federal Com Well No. 5H [API No. 30-015-48553]

Armstrong 26 33 W1HH Federal Com Well No. 2H [API No. 30-015-PENDING]

Armstrong 26 33 W0HH Federal Com Well No. 1H [API No. 30-015-PENDING]

Reference is made to your application received on August 23rd, 2021.

You have requested approval of a non-standard horizontal spacing unit to be included in your proposed horizontal spacing unit, as follows:

Proposed Decreased Horizontal Spacing Unit:

Description	Acres	Pool	Pool Code
NE/4 of Section 26	400	Purple Sage; Wolfcamp	98220
SE/4 & S/2 NE/4			
of Section 23			

You have requested an exception pursuant to Rule 19.15.16.15(A)(3) NMAC, to approve a non-standard horizontal spacing unit comprising 400 acres, consisting of the entire area described above as the horizontal spacing unit. The proposed horizontal spacing unit does not consist of a quarter section or equivalent in both sections, as required by Rule 19.15.16.15(B)(3) NMAC.

We understand that you are seeking this exception for an allowance to create a 400-acre, non-standard horizontal spacing unit, comprised of the Proposed Horizontal Spacing Unit referenced above within Eddy County, New Mexico.

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 being excluded.

NSP-2127 Mewbourne Oil Company September 14th, 2021 Page 2 of 2

You have requested this non-standard horizontal spacing unit in agreement with Devon Energy Production Company to codevelop portions of the horizontal spacing unit in order to maximize the recovery of oil and gas reserves within the NE/4 of section 26 and the SE/4, S/2 NE/4 of section 23. Therefore, reducing waste while protecting 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 with a Sundry notice to the Engineering Bureau, reference this NSP Order.

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.



AES/lrl

cc: Oil Conservation Division – Artesia District Office Bureau of Land Management – Carlsbad Field Office From: Lowe, Leonard, EMNRD

To: <u>Cy Shook</u>

Cc: Bratcher, Mike, EMNRD; Kate Pickford (Katherine.Pickford@state.nm.us); jglover@blm.gov;

drossmango@blm.gov; "lisa@rwbyram.com"

Subject: APPROVED NSP-2127_Mewbourne Oil Company_5 Armstrong Wells_23 25S 31E

Date: Tuesday, September 21, 2021 9:06:00 AM

Attachments: NSP-2127 Devon Oil Co. 5 Armstrong Wells APPROVED.pdf

Importance: High

Mr. Cy Shook,

The following NSP 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

NSP - 2127

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A copy of the approved order is attached.

Thank you,

Leonard R. Lowe

Engineering Bureau
OCD - EMNRD
5200 Oakland Ave
Albuquerque, N.M. 87113

C: 505-930-6717

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