

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



October 13th, 2021

Ms. Kaitlyn A. Luck
kaluck@hollandhart.com

Administrative Order NSP-2128

ADMINISTRATIVE NON-STANDARD HORIZONTAL SPACING UNIT

DJR Operating, LLC [OGRID 371838]
Bisti Well No. 100H, API No. 30-045-PENDING

Reference is made to your application received on September 5th, 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
N/2 S/2 & SW/4 NE/4 & S/2 NW/4 of Section 2	280	Basin Manco	97232

You have requested an exception pursuant to Rule 19.15.16.15(A)(3) NMAC, to approve a non-standard horizontal spacing unit comprising 280 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.

Proposed Decreased Horizontal Spacing Unit

Description	Acres	Pool	Pool Code
SE/4 NE/4 of Section 3	40	Bisti Lower-Gallup	5890

You have requested an exception pursuant to Rule 19.15.16.15(A)(3) NMAC, to approve a non-standard horizontal spacing unit comprising 40 acres, consisting of the entire area described above as the horizontal spacing unit. The proposed horizontal spacing unit does not consist of a 2 quarter - quarter sections or equivalent, as required by Rule 19.15.16.15(B)(3) NMAC.

Total Proposed Horizontal Spacing Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N/2 S/2 & SW/4 NE/4 & S/2 NW/4 of Section 2 & SE/4 NE/4 of Section 3	320	Basin Manco/Bisti Lower-Gallup	97232/5890

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

You have requested this non-standard horizontal spacing in order to prevent waste and protect correlative rights to maximize the recovery of oil and gas reserves within the N/2 S/2, SW/4 NE/4 & S/2 NW/4 of Section 2 and the SE/4 NE/4 of Section 3.

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.



ADRIENNE E. SANDOVAL
Division Director

AES/lrl

cc:

State Land Office – Oil, Gas, and Minerals Division
Bureau of Land Management – Farmington Field Office