

State of New Mexico
Energy, Minerals and Natural Resources Department

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Mr. Kyle Alpers
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NON-STANDARD LOCATION

Administrative Order NSL - 8410

Armstrong Energy Corporation [OGRID 1092]
Rocky Raccoon Well No. 1
API No. 30-025-49594

Surface Location; Vertical Well

<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
2366 FSL & 2396 FEL	J	24	18S	35E	Lea

Proposed Oil Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
NW/4 SE/4 of Section 24	40	Reeves; Devonian	51940

Reference is made to your application received on July 25th, 2022.

This vertical well was drilled at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide rules, which provides for 40-acre units, with wells to be located at least 330 from the QTR/QTR line.

This well's completed interval is as close as 274 feet to the northern edge and 244 feet to the western boundary of the spacing uni. Encroachment will impact the following tracts.

Section 24, encroachment to the SW/4 NE/4 & NE/4 SW/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.

Division understands that you are requesting this location in order to maximize the recovery of resources within the Devonian formation underlying the NW/4 SE/4 of Section 24.

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.**

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

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

Date: 8/29/2022

AES/lrl