

State of New Mexico
Energy, Minerals and Natural Resources Department

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Mr. Reed Brunette
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NON-STANDARD LOCATION

Administrative Order NSL-8416

Titus Oil & Gas Production, LLC [373986]
Cattlemen Federal Com Well No. 123H
API No. 30-025-48122

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	2303 FNL & 1957 FEL	G	17	26S	35E	Lea
First Take Point	2640 FSL & 2310 FEL	J	17	26S	35E	Lea
Last Take Point	100 FSL & 2310 FEL	O	20	26S	35E	Lea
Terminus	10 FSL & 2310 FEL	O	20	26S	35E	Lea

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 SE/4 of Section 17	240	Wildcat; Bone Spring	96672
W/2 E/2 of Section 20			

Reference is made to your application received on July 27th, 2022.

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 oil 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 0 feet to the northern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 17, encroachment to the SW/4 NE/4

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 as your preferred well spacing plan for horizontal wells in the area. Thereby maximizing recovery and preventing waste within the Bone Spring formation underlying the W/2 SE/4 of Section 17 and the W/2 E/2 of Section 20.

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.**

Reference this NSL order number on the As Drilled C-102, submitted with the Authorization to Transport (C-104), 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: 9/02/2022

AES/lrl