

State of New Mexico
Energy, Minerals and Natural Resources Department

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Ms. Sarah Chapman
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NON-STANDARD LOCATION

Administrative Order NSL - 8438

Spur Energy Partners, LLC [OGRID 328947]
Goodman 22 23 Well No. 51H
API No. 30-015-PENDING

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1888 FSL & 2158 FWL	K	22	19S	25E	Eddy
First Take Point	2630 FNL & 2513 FEL	G	22	19S	25E	Eddy
Last Take Point	2630 FNL & 2609 FWL	F	23	19S	25E	Eddy
Terminus	2630 FNL & 2659 FWL	F	23	19S	25E	Eddy

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S/2 NE/4 of Section 22	160	N. Seven Rivers; Glorieta – Yeso	97565
S/2 NW/4 of Section 23			

Reference is made to your application received on September 14th, 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 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 10 feet to the southern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 22, encroachment to the N/2 SE/4
Section 23, encroachment to the N/2 NW/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 to allow for efficient spacing of horizontal wells and thereby prevent waste within the Glorieta-Yeso formation underlying the S/2 NE/4 of Section 22 and S/2 NW/4 of Section 23.

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, 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: 10/19/2022

AES/lrl