

State of New Mexico
Energy, Minerals and Natural Resources Department

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Administrative Order NSP-2141

ADMINISTRATIVE NON-STANDARD HORIZONTAL SPACING UNIT

Mewbourne Oil Company [OGRID 14744]

Chili Verde 23 24 W0DA Federal Com Well No. 1H, (API No. 30-015-49505)

Chili Verde 23 24 W0EH Federal Com Well No. 1H, (API No. 30-015-49564)

Located N/2 of Section 23 & N/2 of Section 24, T21 South, R27 East

Eddy County, New Mexico

Reference is made to your application received on September 20th, 2022.

You have requested an approval for a non-standard horizontal spacing unit as follows:

Description	Acres	Pool	Pool Code
N/2 Sec 23 & N/2 Sec 24	640	Lone Tree Draw; Wolfcamp	97208

You have requested an exception pursuant to Rule 19.15.16.15(A)(3) NMAC, to approve a non-standard horizontal spacing unit comprising 640 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, as required by Rule 19.15.16.15(B)(3) NMAC.

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 included.

You have requested this non-standard horizontal spacing unit in order to maximize the recovery of oil and gas reserves from the Wolfcamp formation underlying the N/2 of Section 23 and the N/2 of Section 24.

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. Additional wells shall be producing within the same horizontal spacing unit and pool/formation.

Reference this NSP order number on the As Drilled C-102 submitted with the Authorization to Transport (C-104), to place these wells into production.

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

10/20/2022

Date

AES/lrl