

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne E. Sandoval, Director
Oil Conservation Division



Ms. Dana S. Hardy
dhardy@hinklelawfirm.com

NON-STANDARD LOCATION

Administrative Order NSL - 8493

Colgate Operating, LLC [OGRID 371449]
Dundee 4 Federal Com Well No. 203H
API No. 30-015-49740

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1397 FSL & 195 FEL	I	5	20S	28E	Eddy
First Take Point	998 FSL & 100 FWL	M	4	20S	28E	Eddy
Last Take Point/ Terminus	1026 FSL & 100 FEL 1033 FSL & 12 FEL	N P	3 3	20S 20S	28E 28E	Eddy Eddy

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S/2 S/2 of Section 4 S/2 S/2 of Section 3	320	Scanlon Draw; Wolfcamp West	55540

Reference is made to your application received on November 22nd, 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 100 feet to the western and eastern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 05, encroachment to the SE/4 SE/4
Section 02, encroachment to the SW/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 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 in order to maximize recovery and prevent waste within the Wolfcamp formation underlying S/2 S/2 of Section 4 and the S/2 S/2 of Section 3.

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: 12/18/2022

AES/lrl