

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION TO CONSIDER:**

**CASE NO. 16079
ORDER NO. R-14685-A**
Nunc Pro Tunc

**APPLICATION OF LLANO ENERGY, LLC FOR A NON-STANDARD SPACING
AND PRORATION UNIT, COMPULSORY POOLING, AND UNORTHODOX
WELL LOCATION, LEA COUNTY, NEW MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on May 3, 2018, at Santa Fe, New Mexico, before Examiner Michael A. McMillan. On May 16, 2018, the Division Director issued Order No. R-14685.

NOW, on this 7th day of June 2018, the Division Director,

FINDS THAT

(1) Division Order No. R-14685 contains clerical errors pertaining to the date certain to commence drilling, the effects of not commencing drilling within a date certain, and the location of the proposed well.

IT IS THEREFORE ORDERED THAT

(1) Finding Paragraph (3) is hereby amended and replaced *nunc pro tunc* effective as of the date of the original order, to read as follows:

(3) *The Unit will be dedicated to Applicant's Sarah Well No. 1H (the "proposed well"; API No. 30-025-pending), a horizontal well to be drilled from a surface location 480 feet from the North line and 1120 feet from the East line (Unit A) of Section 32, to a bottom-hole location 100 feet from the North line and 1300 feet from the East line (Unit A) of Section 29, both in Township 12 South, Range 38 East, NMPM. The location of the completed interval will be unorthodox for oil production within the Unit.*

(2) Ordering Paragraphs (3), (4), (5), and (6) are hereby amended and replaced *nunc pro tunc* effective as of the date of the original order, to read as follows:

(3) *The Unit shall be dedicated to Applicant's Sarah Well No. 1H (the "proposed well"; API No. 30-025-pending), a horizontal well to be drilled from a surface location 480 feet from the North line and 1120 feet from the East line (Unit A) of Section 32, to a bottom-hole location 100 feet from the North line and 1300 feet from the East line (Unit A) of Section 29, both in Township 12 South, Range 38 East, NMPM.*

(4) *The requested Non-Standard location is hereby approved. The completed interval of the proposed well shall be no closer than 100 feet from the South line and 1300 feet from the East line (Unit P) and the last perforation shall be no closer than 100 feet from the North line and 1300 feet from the East line (Unit A), both in Section 29, Township 12 South, Range 38 East, NMPM.*

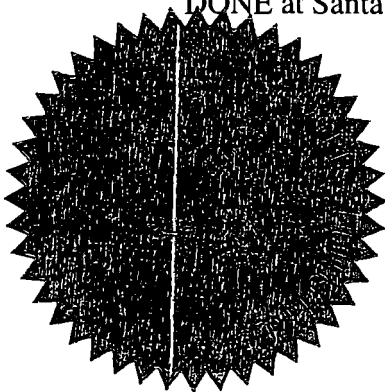
(5) *The operator of the Unit shall commence drilling the proposed well on or before June 30 2019 and shall thereafter continue drilling the proposed well with due diligence to test the San Andres formation.*

(6) *In the event the operator does not commence drilling the proposed well on or before June 30, 2019, Ordering Paragraphs (1) and (2) shall be of no effect, unless the operator obtains a time extension from the Division Director for good cause demonstrated by satisfactory evidence.*

(3) In all other respects, Order No. R-14685 shall remain in full force and effect as originally written.

(4) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

HEATHER RILEY
Director