

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division (Acting)



Mr. Darin Savage
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Administrative Order NSP – 2181

ADMINISTRATIVE NON-STANDARD HORIZONTAL SPACING UNIT

V – F Petroleum Inc. [OGRID 24010]

Buchanan 33 32 State Com Well No. 231H [API No. 30-015-PENDING]

Buchanan 33 32 State Com Well No. 232H [API No. 30-015-PENDING]

S/2 Section 33 and S/2 Section 32, T18S, R28E, Eddy County

Reference is made to your application received on November 20th, 2023.

You have requested approval of a non-standard horizontal spacing unit to be included in your proposed horizontal spacing unit, as follows:

Proposed Increased Horizontal Spacing Unit:

Description	Acres	Pool	Pool Code
S/2 Section 33	640	Travis; Bone Spring (Oil)	97257
S/2 Section 32			

You have requested an exception pursuant to Rule 19.15.16.15(A)(3) NMAC, to approve a non-standard horizontal spacing unit consisting of the entire area described above as the horizontal spacing unit. The proposed horizontal spacing unit does not consist of a quarter - quarter section or equivalent in both sections, as required by Rule 19.15.16.15(B)(1) NMAC.

We understand that you are seeking this exception for an allowance to create a non-standard horizontal spacing unit, comprised of the Proposed Horizontal Spacing Unit referenced above within Eddy County, New Mexico.

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 to be being included.

You have requested this non-standard horizontal spacing unit in order to minimize reserves left in the ground by achieving optimal spacing in the unit for better recovery to allow for the consolidation of surface facilities within the Bonespring formation. Thereby, preventing waste

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V-F Petroleum, Inc.
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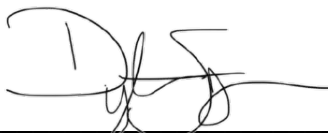
underlying S/2 Section 33 and S/2 Section 32, all while protecting correlative rights within the referenced Horizontal Spacing Unit.

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. The additional well(s) shall be designated to the same horizontal spacing unit and pool/formation. Submit a Change of Plans to the OCD's permitting website. Reference this approved order number on the submitted Change of plans. Once submitted, email the Action ID number to the following e-mail address: ocd.engineer@emnrd.nm.gov of notice for additional wells.

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.



DYLAN M. FUGE
DIRECTOR (ACTING)
DMF/lrl

Date: 12/21/23

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
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CONDITIONS

Action 298265

CONDITIONS

Operator: V-F PETROLEUM INC P.O. Box 1889 Midland, TX 79702	OGRID: 24010
	Action Number: 298265
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	12/28/2023