

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



Mike Gregory
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Administrative Order NSP – 2231

ADMINISTRATIVE NON-STANDARD HORIZONTAL SPACING UNIT

Flat Creek Resource, Inc. [OGRID 374034]
Jawbone BS Federal Com Well No. 1H [30-015-49457]
Jawbone BS Federal Com Well No. 2H [30-015-49459]
Jawbone BS Federal Com Well No. 3H [30-015-49664]
Section 02, T25S, R26E and Section 35, T24S R26E, Eddy County

Reference is made to your application received on October 18th, 2024.

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
Section 02, T25S R26E Section 35, T24S, R26E	1280.32	Cottonwood Draw; Bone Spring	97494

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.

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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 efficiently locate surface facilities, reduce surface disturbance, consolidate roads, tanks and pipelines to promote effective well spacing, thereby promoting conservation and preventing waste within Bonespring formation. Thus, preventing waste underlying the entirety of Section 02, T25S, R26E, and Section 35, T24S, R26E 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. 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.



Gerasimos Razatos
Division Director (Acting)
GR/lrl

Date: 12/11/2024

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
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CONDITIONS

Action 411083

CONDITIONS

Operator: Flat Creek Resources, LLC 777 Main St. Fort Worth, TX 76102	OGRID: 374034
	Action Number: 411083
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	12/12/2024