

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary

**Matthias Sayer**  
Deputy Cabinet Secretary

**Heather Riley, Division Director**  
Oil Conservation Division



February 23, 2018

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NON-STANDARD LOCATION

**Administrative Order NSL-7641**

**Percussion Petroleum Operating, LLC [OGRID 371755]**  
**Goodman 22 Well No. 7H**  
**API No. 30-015-PENDING**

**Non-Standard Location**

**Proposed Location:**

|                   | <u>Footages</u>      | <u>Unit</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|-------------------|----------------------|-------------|-------------|-------------|--------------|---------------|
| Surface           | 601' FSL & 2136' FWL | N           | 22          | 19S         | 25E          | Eddy          |
| Penetration Point | 540' FSL & 2508' FEL | O           | 22          | 19S         | 25E          | Eddy          |
| Final perforation | 640' FSL & 2575' FWL | N           | 23          | 19S         | 25E          | Eddy          |
| Terminus          | 640' FSL & 2656' FWL | N           | 23          | 19S         | 25E          | Eddy          |

**Proposed Project Area:**

| <u>Description</u>     | <u>Acres</u> | <u>Pool</u>                    | <u>Pool Code</u> |
|------------------------|--------------|--------------------------------|------------------|
| S/2 SE/4 of Section 22 | 160          | N. Seven Rivers; Glorieta-Yeso | 97565            |
| S/2 SW/4 of Section 23 |              |                                |                  |

Reference is made to your application received on January 26, 2018.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 19.15.15.9.A NMAC, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary.

This well's completed interval is as close as 132 feet from the western edge and 65 feet from the eastern edge of the project area and therefore will cause an encroachment toward the following tracts:

Section 22, encroachment to the SE/4 SW/4  
Section 23, encroachment to the SW/4 SE/4

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12 A (2) NMAC, in all adjoining units towards which the proposed location encroaches.


It is our understanding that the Applicant is seeking this location to maximize the recovery of oil and gas reserves from the Glorieta Yeso formation underlying the S/2 SE/4 of Section 22 and the S/2 SW/4 of Section 23.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A (2) NMAC.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

The above approvals are subject to your following all other applicable Division rules.

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

  
**HEATHER RILEY**  
**Director**

HR/lrl

cc: Oil Conservation Division – Artesia District Office