

State of New Mexico
Energy, Minerals and Natural Resources Department

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Heather Riley, Division Director
Oil Conservation Division



April 11, 2018

Jim Bruce
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NON-STANDARD LOCATION

Administrative Order NSL-7688

V-F Petroleum Inc. [OGRID 24010]
DMT 7 Fee Well No. 2
API No. 30-025-43231

Subject well Surface Location; Vertical Well:

<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
1200` FNL & 1300` FEL	A	7	15S	38E	Lea

Proposed Unit:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
NE/4 NE/4	40	Denton; Wolfcamp	17290

Reference is made to your application received on March 28, 2018.

You have requested this unorthodox oil well location for the subject well described above in the referenced pool or formations. 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 location is unorthodox it is too close to the southern and western boundary of the unit.

This subject well's completed interval is as close as 120 feet from the southern edge, and 20 feet from the western boundary; therefore, will cause an encroachment toward the following tracts:

Section 7, encroachment to the S/2 NE/4 and NW/4 NE/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. However, the ownership is identical in the proposed spacing unit and the affected tracts. Therefore, no notification is required.


It is our understanding that the Applicant is seeking this location because this is the preferred geological location which allows the maximum recovery of hydrocarbons, and prevent waste.

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/mam

cc: Oil Conservation Division – Hobbs District Office