

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



April 4, 2018

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Holland & Hart LLP  
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NON-STANDARD LOCATION

**Administrative Order NSL-7662**

**Percussion Petroleum Operating, LLC [OGRID 371755]**  
**Morris Boyd State Com Well No. 2H**  
**API No. 30-015-44670**

**Proposed Location**

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	555 FSL & 655 FWL	M	23	19S	25E	Eddy
Penetration Point	100 FNL & 360 FWL	D	26	19S	25E	Eddy
Final perforation	330 FSL & 360 FWL	M	26	19S	25E	Eddy
Terminus	20 FSL & 360 FWL	M	26	19S	25E	Eddy

**Proposed Project Area**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 W/2 of Section 26	160	N. Seven Rivers; Glorieta-Yeso	97565

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

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Subsection A of 19.15.15.9 NMAC governs this pool and 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 100 feet to the northern edge and 374 feet to the northwest of the project area. Encroachments will impact the following tracts.

Section 22, T19S R25E encroachment to the SE/4 SE/4  
Section 23, T19S R25E encroachment to the SW/4 SW/4

OCD understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (2) of Subsection A of 19.15.4.12 NMAC, in all adjoining units towards which the proposed location encroaches.


OCD understands you seek this location as a preferred well spacing, thereby preventing waste from the Glorieta-Yeso formation underlying the W/2 W/2 of Section 26.

Your application has been filed under 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Pursuant to Subsection B of 19.15.15.13 NMAC, OCD approves the above-described unorthodox location.

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

Jurisdiction of this case is retained for the entry of further orders as OCD deems necessary.

  
**HEATHER RILEY**  
**Director**

HR/lrl

cc: Oil Conservation Division – Artesia District Office  
State Land Office – Oil, Gas, and Minerals Division