

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



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Adam G. Rankin
Holland & Hart LLP
agrarkin@hollandhart.com

NON-STANDARD LOCATION

Administrative Order NSL-7681

Percussion Petroleum Operating, LLC (OGRID 371755)
Huber Federal Well No. 008H
API No. 30-015-44707

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	542 FSL & 1172 FEL	P	34	19S	25E	Eddy
Penetration Point	330 FNL & 995 FEL	A/1	3	20S	25E	Eddy
Final perforation	330 FSL & 1054 FEL	P	3	20S	25E	Eddy
Terminus	20 FSL & 1054 FEL	P	3	20S	25E	Eddy

Proposed Project Area

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
Lot 1, SE/4 NE/4, and E/2 SE/4 (E/2 E/2 equivalent) of Section 3	160.54	N. Seven Rivers; Glorieta-Yeso	97565

Reference your application received March 9, 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 location is unorthodox because it's too close to the western boundary.

This well's completed interval is as close as close as 266 feet to the west, 424 feet to the southwest (diagonal), and 463 feet to the northwest (diagonal) of the project area. Encroachments will impact the following tracts.

Section 3, T20S R25E encroachment to the W/2 E/2
Section 10, T20S 25E encroachment to the NW/4 NE/4
Section 34, T19S 25E encroachment to the SW/4 SE/4

The Division 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.

The Division understands you seek this location as the preferred well spacing, thereby preventing waste from the Glorieta-Yeso formation underlying the E/2 E/2 of Section 3.

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

Per Subsection B of 19.15.15.13 NMAC, the Division approves this unorthodox location.

The above approval is subject to your following all other Division rules.

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



HEATHER RILEY
Director

HR/mam/rbb

cc: Oil Conservation Division – Artesia District Office
Bureau of Land Management - Carlsbad