

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



June 12, 2018

Brian Wood
Brian@permitswest.com

NON-STANDARD LOCATION

Administrative Order NSL-7728

**Apache Corporation [OGRID 873]
Palmillo 14 15 State Well No. 206H
API No. 30-015-44675**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1973' FNL & 861' FWL	M	14	19S	28E	Eddy
Penetration Point	1959' FSL & 100' FEL	P	15	19S	28E	Eddy
Final perforation/ (Terminus)	1903' FSL & 100' FWL	M	15	19S	28E	Eddy

Proposed Project Area

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S2 S2 of Section 15	160	Palmillo; Bone Spring, SW	96413

Reference is made to your application received on April 25, 2018.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Subsection B 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 eastern and western edge. Encroachments will impact the following tracts.

Section 14, encroachment to the NW4 SW4
Section 16, encroachment to the NE4 SE4

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.

Division understands you seek this location due to several surface land factors and subsurface land uses with the intention to maximize the recovery of oil and gas reserves within the project area within the N2 S2 of Section 15.

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, Division approves this unorthodox location.

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

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


HEATHER RILEY
Director

HR/lrl

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