

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 8, 2018

Brian Wood  
[Brian@permitswest.com](mailto:Brian@permitswest.com)

NON-STANDARD LOCATION

**Administrative Order NSL-7727**

**Apache Corporation [OGRID 873]  
Palmillo 14 15 State Well No. 205H  
API No. 30-015-44667**

**Proposed Location**

|                                  | <u>Footages</u>     | <u>Unit/Lot</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|----------------------------------|---------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface                          | 660' FSL & 330' FWL | M               | 14          | 19S         | 28E          | Eddy          |
| Penetration Point                | 641' FSL & 100' FEL | P               | 15          | 19S         | 28E          | Eddy          |
| Final perforation/<br>(Terminus) | 430' 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 May 14, 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/western, and 441 feet to the southwestern edge. Encroachments will impact the following tracts.

Section 14, encroachment to the SW4 SW4  
Section 21, encroachment to the NE4 NE4  
Section 16, encroachment to the SE4 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 S2 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