

State of New Mexico  
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



January 31, 2019

Mr. Paul Lehrman  
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NON-STANDARD LOCATION

**Administrative Order NSL-7810**

**DJR Operating, LLC [OGRID 371838]  
Candado Well No. 002  
API No. 30-039-06552**

**Surface Location; Vertical Well**

<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
583 FSL & 1262 FEL	P	09	26N	07W	Rio Arriba

**Proposed Gas Units**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
SE4 of Section 09	160	Blanco P.C., South (Prorated Gas)	72439

Reference is made to your application received on January 9, 2019.

This vertical well was drilled at an unorthodox gas well location described above in the referenced pool or formation. This location is governed by Hearing Order R-565-C, which provides for 160-acre units, with wells to be located at least 990 feet from outer unit boundaries.

This well's completed interval is as close as 407 feet to the southern edge of the spacing unit. Encroachments will impact the following tract.

Section 16, encroachment to the NE4

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches.

The Division understands that you resurveyed this well location and it determined to be located at an unorthodox location underlying the spacing unit within the SE4 of Section 09.


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Your application has been filed under Subsection 6 of Paragraph of Section (C) of 19.15.16.15 NMAC, 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.



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**Gabriel Wade**  
**Acting Division Director**

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cc: Oil Conservation Division – Aztec District Office  
Bureau of Land Management – Farmington Field Office