

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



February 26, 2019

Ms. Deborah Marberry
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NON-STANDARD LOCATION

Administrative Order NSL-7835

Breitburn Operating, LP [OGRID 370080]
Encore M State Well No. 024
API No. 30-025-PENDING

Surface Location; Vertical Well

<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
1356 FSL & 2316 FWL	K	20	22S	37E	Lea

Proposed Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
NE4 SW4 of Section 20	40	Bliebry Oil and Gas	66660
		Drinkard	19190
		Tubb Oil and Gas	60240
		Wantaz; Abo	62700

Reference is made to your application received on February 26, 2019.

You have requested to drill this vertical well at an unorthodox oil well location described above in the referenced pool or formation. Subsection A of 19.15.15.9 NMAC governs these pools and provide 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 36 feet to the southern edge of the spacing unit. Encroachments will impact the following tract.

Section 20, encroachment to the SE4 SW4

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. However, the ownership is identical in the affected areas, therefore notice is not required.

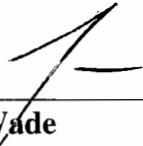
The Division understands that you are requesting an unorthodox location due to existing surface obstructions that prohibit an orthodox location of this vertical well to produce resources underlying the spacing unit within the NE4 SW4 of Section 20.

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.



Gabriel Wade
Acting Division Director

GW/lrl

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