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Approved

NSL

Order

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Adrienne E. Sandoval, Division Director
Oil Conservation Division

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

August 14, 2019

Mr. Jerry W. Sherrell
jerrys@mec.com

NON-STANDARD LOCATION

Administrative Order NSL-7923

Mack Energy Corporation [OGRID 322793]
Partition 24 Federal Com HE Well No. 001H
API No. 30-025-44903

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	1486 FNL & 1716 FWL	2	19	17S	32E	Lea
Penetration Point	1558 FNL & 320 FEL	H	24	17S	31E	Lea
Final perforation	1640 FNL & 100 FWL	E	24	17S	31E	Lea
Terminus	1640 FNL & 79 FWL	E	24	17S	31E	Lea

Proposed Horizontal Spacing Unit

Description	Acres	Pool	Pool Code
S2 N2 of Section 24	160	Fren; Glorieta Yeso	26770

Reference is made to your application received on August 6, 2019.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Sub Paragraph (a) of Paragraph (1) of Subsection B of 19.15.16.15 NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal oil well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal oil well's completed interval penetrates, each of which consists of a governmental quarter-quarter section or equivalent.

This well's completed interval is as close as 238 feet to the north - northeast edge. Encroachment will impact the following tract.

Section 24, encroachment to the NE/4 NE/4

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. All waivers were signed and received, therefore the 20 day notice is waived.
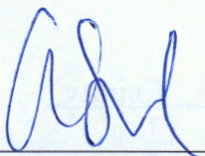
The Division understands that you are requesting this unorthodox location request, due to the well drifting off the proposed well plan during the drilling process. This is underlying the horizontal spacing unit located within the Glorieta – Yeso formation within the S2 N2 of Section 24.

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.

ADRIENNE E. SANDOVAL
Oil Conservation Division Director

AES/lrl

cc: Oil Conservation Division – Hobbs District Office
        Bureau of Land Management – Carlsbad Field Office

From:	Lowe, Leonard, EMNRD
Sent:	Thursday, August 15, 2019 11:57 AM
To:	'Jerry Sherrell'
Cc:	Rickman, Leslie, EMNRD; Kautz, Paul, EMNRD; 'jglover@blm.gov'; 'lisa@rwbyram.com'; Jones, William V, EMNRD; McMillan, Michael, EMNRD; Goetze, Phillip, EMNRD
Subject:	APPROVED NSL-7923_Mack Energy Corp._Partition 24 Federal Com HE Well No. 1H_SEC 19 17S 32E
Attachments:	NSL-7923_Order.pdf

| **Importance:** | High |

Mr. Jerry Sherrell,

The following administrative order has been issued (*see attachment*) and will soon be available on the Division's web site:
http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx

NSL	AMD	WELL NAME	API	POOL
7923	-	Partition 24 Federal HE Well No. 1H	30-025-44903	Fren; Glorieta - Yeso

Leonard Lowe
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