

Approved

NSL

Order

Approved: 10/25/19

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne E. Sandoval, Director
Oil Conservation Division



October 25, 2019

Ms. Sharon T. Shaheen
Sshaheen@mondand.com

NON-STANDARD LOCATION

Administrative Order NSL-7955

**Great Western Drilling Co. [OGRID 9338]
Saunders 26 State Well No. 001
API No. 30-025-46336**

Surface Location; Vertical Well

<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
150 FNL & 1900 FWL	C	14	25S	34E	Lea

Proposed Oil Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
NE/4 NW/4 of Section 26	40	Wildcat; Devonian	98323

Reference is made to your application received on October 1, 2019.

This vertical well was drilled at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by Hearing Order R-11067, which provides for 40-acre units, with wells to be located at least 330 from the QTR/QTR line and 660 feet from outer unit boundaries.

This well's completed interval is as close as 180 feet to the northern edge of the spacing unit. Encroachment will impact the following tracts.

Section 23, encroachment to the SE/4 SW/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.

Division understands you seek this unorthodox location due to the strong water drive reservoir in the Devonian formation which will assure maximum recovery of oil resources and thereby preventing waste within the formation underlying the NE/4 NW/4 of Section 26.

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
Division Director

AES/lrl

cc: Oil Conservation Division – Artesia District Office
State Land Office – Oil, Gas, and Mineral Division