



New Mexico Energy, Minerals and Natural Resources Department

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Cabinet Secretary-Designate

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Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



October 4, 2011

BOPCO, L.P.
c/o Holland & Hart LLP
Attn: Ms. Ocean Munds-Dry

Administrative Order NSL-6471
Administrative Application Reference No. pTWG11-23629744

BOPCO, L.P.
OGRID 260737
Poker Lake Unit Well No. 315H
API No. 30-015-39166

Proposed Location:

	Footages	Unit	Sec.	Township	Range	County
Surface	1650 FNL & 710 FWL	E	13	24S	30E	Eddy
Penetration Point	same as surface location					
Terminus	1580 FNL & 1150 FWL	E	11	24S	30E	Eddy

Proposed Project Area:

Description	Acres	Pool	Pool Code
Sec. 11: S/2 NW/4, NE/4 SW/4, NW4/SE/4 & S/2 SE/4	280	Northwest Poker Lake;	96046
Sec. 14: NE/4 NE/4		Delaware	

Reference is made to your application received on August 23, 2011.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 15.9.A [19.15.15.9.A NMAC], which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary, and Rule 15.16.14.B(2) [19.15.16.14.B(2) NMAC] concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed producing interval are outside of the project area.

Oil Conservation Division
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Your application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking this location to accommodate surface siting requirements.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches.

We also understand that the portions of wellbore outside the designate project area will be cased off and not perforated so that all production from the well will occur inside the project area.

Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.5.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division – Artesia
United States Bureau of Land Management