

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

David Martin  
Cabinet Secretary

Tony Delfin  
Deputy Cabinet Secretary

David R. Catanach, Division Director  
Oil Conservation Division



July 7, 2016

Atoka Operating, Inc.  
Attn: Mr. James Bruce

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7433

**Atoka Operating, Inc.**  
OGRID 371356  
**Kinsolving 2 Well No. 1**  
**API No. 30-025-43295**

**Proposed Location:**

<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
1750` FNL & 180` FEL	H	2	13S	37E	Lea

**Proposed Spacing Unit:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
SW/4 NW/4 of Section 1, and SE/4 NE/4 of Section 2	40 40	Gladiola; Devonian, Southwest	22760

Reference is made to your application received on June 27, 2016.

You have requested to drill this well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by Special rules for the Gladiola; Devonian, Southwest Pool which provide for 80-acre units. Further, the special pool rules require the well to be located within 150 feet of the center of either quarter-quarter sections in the 80-acre spacing unit within a governmental quarter section. The proposed spacing unit is comprised of two contiguous units within two sections and was approved by Division Order R-13939.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A (2) NMAC.

An unorthodox location is required after examination of geological and geophysical data subsequent to Division Order R-13939.

It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

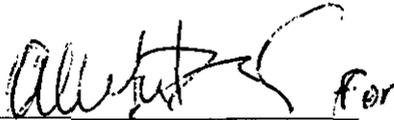
The initial non-standard location and non-standard spacing units was approved by Division Order R-13939, issued on December 3, 2014.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, 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 19.15.5.9 NMAC.

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

Done at Santa Fe, New Mexico, on July 7, 2016.

A handwritten signature in black ink, appearing to read "David R. Catanach", with the word "for" written to the right of the signature.

**DAVID R. CATANACH**  
Director

DRC/mam

cc: New Mexico Oil Conservation Division – Hobbs