

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



September 7, 2017

Percussion Petroleum Operating, LLC
Attn: Ms. Jordan L. Kessler

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7578

Percussion Petroleum Operating, LLC
OGRID 371755
Goodman 22 Well No. 2H
API No. 30-015-44383

Non-Standard Location

Proposed Location:

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	847' FNL & 2044' FWL	C	22	19S	25E	Eddy
Penetration Point	970' FNL & 2516' FEL	B	22	19S	25E	Eddy
Final perforation	970' FNL & 2597' FWL	C	23	19S	25E	Eddy
Terminus	970' FNL & 2677' FWL	C	23	19S	25E	Eddy

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N/2 NE/4 of Section 22	160	N. Seven Rivers; Glorieta-Yeso	97565
N/2 NW/4 of Section 23			

Reference is made to your application received on August 14, 2017.

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 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 19.15.16.14.B(2) NMAC concerning directional wells in designated project areas. This surface location is outside the project area, and is permitted by Rule 19.15.16.15.B (4) NMAC which allows for surface locations outside the project area. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries

of the proposed project area than any location that would be a standard location under the applicable pool rules.

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.

It is our understanding that the Applicant is seeking this location to fully develop the Yeso formation in the spacing unit.

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 19.15.4.12 A (2) NMAC, in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

The above approvals are subject to your being in compliance with all other applicable Division rules.

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



DAVID R. CATANACH
Director

DRC/lrl

cc: Oil Conservation Division – Artesia District Office