

Approved

NSL

Order

Approved: 12/25/19

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



December 25, 2019

Ms. Deanna M. Bennett
Deana.bennett@modrall.com

NON-STANDARD LOCATION

Administrative Order NSL-7969

**Franklin Mountain Energy [OGRID 373910]
Blue Ribbon Federal Com Well No. 703H
API No. 30-025-PENDING**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	675 FNL & 2623 FWL	3	2	25S	35E	Lea
First Take Point	693 FNL & 2609 FWL	3	2	25S	35E	Lea
Last Take Point/ Terminus	150 FSL & 2610 FWL	N	11	25S	35E	Lea

Proposed Horizontal Spacing Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E2 W2 of Section 2	320.87	Wildcat; Upper Wolfcamp	98187
E2 W2 of Section 11			

Reference is made to your application received on December 4, 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 31 - 30 feet to the eastern edge. Encroachments will impact the following tracts.

Section 2, encroachment to the W2 E2
Section 11, encroachment to the W2 E2

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.

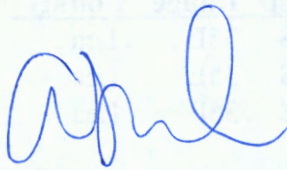
The Division understands you seek this location because such placement is relative to offset planned wellbores optimization geometric configuration for horizontal wells in the area and thereby preventing waste of oil and gas reserves underlying the horizontal spacing unit located within the Wolfcamp formation underlying the E2 W2 of Section 2 and 11.

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 – Hobbs District Office
State Land Office – Oil, Gas, and Minerals Division
Bureau of Land Management – Carlsbad Field Office

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Friday, December 27, 2019 9:23 AM
To: 'Deana M. Bennett'
Subject: APPROVED NSL-7969_Franklin Mountain Federal Com Well No. 703H_Blue Ribbon Fed Com Well No. 703H_SEC 2 25S 35E

Ms. Deana M. Bennett,

The following NSL Administrative Order has been issued and will soon be available on the Division's web site:
<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

NSL-7969

Franklin Mountain Energy, LLC
Blue Ribbon Federal Com Well No. 703H
API No. 30-025-PENDING

Leonard Lowe

Engineering Bureau
Oil Conservation Division
Energy Minerals and Natural Resources Department
1220 South St. Francis
Santa Fe, New Mexico 87505
Office: 505-476-3492
Cell: 505-930-6717
Fax: 505-476-3462
E-mail: leonard.lowe@state.nm.us
Website: <http://www.emnrd.state.nm.us/ocd/>