

Approved

NSL

Order

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



March 27, 2020

Ms. Kaitlyn A. Luck
kaluck@hollandhart.com

NON-STANDARD LOCATION

Administrative Order NSL-8026

DJR Operating, LLC [OGRID 371838]
Betonnies Wash Unit Well No. 720H
API No. 30-045-35669

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1308 FNL & 17 FEL	A	3	22N	8W	San Juan
First Take Point	583 FNL & 165 FEL	1	3	22N	8W	San Juan
Last Take Point	648 FSL & 1363 FEL	O	28	23N	8W	San Juan
Terminus	696 FSL & 1412 FEL	O	28	23N	8W	San Juan

Horizontal Spacing Units

Description

NE/4 NE/4 of Section 3 22N 8W
S/2 SE/4, NW/4 SE/4, NE/4 SW/4, S/2 NW/4 & NW/4 NW/4 of Section 34 23N 8W
NE/4 NE/4 of Section 33 23N 8W
S/2 SW/4 of Section 28 23N 8W

<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
440.53	Betonnies Wash; Mancos (OIL)	98175

Reference is made to your application received on March 25, 2020.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. 19.15.16.15(B)(1)(a) 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 248 feet to the eastern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 2 22N 8W, encroachment to the NW/4 NW/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. Waivers have been signed and verified, notice duration requirement are no longer valid.

Division understands you are requesting this unorthodox location due to errors resulting within the completion of this well. Consequently, increasing the recovery of resources while preventing waste within the formation underlying the above stated Horizontal Spacing Unit Description.

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 – Aztec District Office
Bureau of Land Management – Farmington Field Office

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Monday, April 13, 2020 3:08 PM
To: 'Kaitlyn A. Luck'
Cc: Powell, Brandon, EMNRD; Pickford, Katherine, EMNRD; 'lisa@rwbyram.com'; Goetze, Phillip, EMNRD; Murphy, Kathleen A, EMNRD; Terry Warnell; Scott Cox; McClure, Dean, EMNRD; Rose-Coss, Dylan H, EMNRD; Lamkin, Baylen, EMNRD; Simmons, Kurt, EMNRD; Garcia, John A, EMNRD; 'jglover@blm.gov'; 'jkillins@blm.gov'
Subject: APPROVED NSL-8026_DJR Operating, LLC_Betonnies Tsosie Wash Unit Well No. 720H_SEC 3 22N 8W
Attachments: NSL-8026_ORDER.pdf

Importance: High

Ms. Kaitlyn Luck,

The following administrative order has been issued (*see attachment*) and will soon be available on the Division's web site:

NSL	AMD	Applicant	OGRID	WELL
8026	-	DJR Operating, LLC	371838	Betonnies Tsosie Wa

<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

Leonard R. Lowe

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