Approved

NSL

Order

Approved: 09/08/20

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



September 8, 2020

Ms. Sharon T. Shaheen sshaheen@montand.com

NON-STANDARD LOCATION

Administrative Order NSL-8071

Longfellow Energy, L.P. [OGRID 372210] Angus Federal Com 17 Well No. 3H API No. 30-015-PENDING

Proposed Location

| | Footages | Unit/Lot | Sec. | Twsp | Range | County_ |
|------------------|-------------------|----------|------|------|-------|---------|
| Surface | 938 FSL & 243 FEL | P | 17 | 17S | 29E | Eddy |
| First Take Point | 120 FSL & 100 FEL | P | 17 | 17S | 29E | Eddy |
| Last Take Point | 120 FSL & 100 FWL | M | 17 | 17S | 29E | Eddy |
| Terminus | 120 FSL & 20 FWL | M | 17 | 17S | 29E | Eddy |

Proposed Horizontal Units

| Description | Acres | Pool | Pool Code |
|-----------------------|-------|-------------------------------|-----------|
| S/2 S/2 of Section 17 | 160 | Empire; Glorieta – Yeso, East | 96610 |

Reference is made to your application received on August 17, 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 120 feet to the southern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 20, encroachment to the N/2 N/2

Administrative Order NSL-8071 Longfellow Energy, L.P. September 8, 2020 Page 2 of 2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in 19.15.2.7(A)(8) NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands you are seeking this unorthodox location in order to maximize the recovery of oil and gas reserves. This is also the preferred well spacing for horizontal wells in the area thus maximizing recovery and preventing waste within the Glorieta - Yeso formation underlying the S/2 S/2 of Section 17.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per 19.15.15.13 (B) 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 – Artesia 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: Tuesday, October 13, 2020 2:21 PM

To: 'Sharon T. Shaheen'

Cc: Bratcher, Mike, EMNRD; Bustamante, Amalia, EMNRD; Kautz, Paul, EMNRD; Martinez, Patricia L,

EMNRD; Scott Cox; McClure, Dean, EMNRD; Garcia, John A, EMNRD; Simmons, Kurt, EMNRD; Holm,

Anchor E.; 'jglover@blm.gov'; 'lisa@rwbyram.com'

Subject: APPROVED NSL-8071_Longfellow Energy, L.P._Angus Federal Com 17 Well No. 3H_SEC 17 17S 29E

Attachments: NSL-8071_ORDER.pdf

Importance: High

Ms. Sharon T. Shaheen,

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

A copy of this approved order is attached.

| NSL | AMD | Applicant | OGRID | WELL NAME |
|------|-----|-----------------------|--------|----------------------------------|
| 8071 | - | Longfellow Energy, LP | 372210 | Angus Federal Com 17 Well No. 3H |

Leonard R. Lowe

Engineering Bureau OCD - EMNRD 5200 Oakland Ave. NE Albuquerque, N.M. 87113

C: 505-930-6717

http://www.emnrd.state.nm.us/ocd/