Approved

NSL

Order

State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham

Governor

Sarah Cottrell Propst Cabinet Secretary Adrienne E. Sandoval, Director Oil Conservation Division

STATE OF NEW MESTERS

Todd E. Leahy, JD, PhD Deputy Cabinet Secretary

August 24th, 2021

Mr. Cy Shook

 $\underline{cshook@mewborne.com}$

NON-STANDARD LOCATION

Administrative Order NSL-8201

Mewbourne Oil Company [OGRID 14744] Armstrong 26 23 W1HH Federal Com Well No. 1H API No. 30-015-PENDING

Proposed Location

| | Footages | Unit/Lot | Sec. | Twsp | Range | County |
|------------------|--------------------|----------|------|------|-------|--------|
| Surface | 2500 FNL & 900 FEL | Н | 26 | 25S | 31E | Eddy |
| First Take Point | 2540 FNL & 845 FEL | Н | 26 | 25S | 31E | Eddy |
| Last Take Point/ | 1418 FNL & 845 FEL | Н | 23 | 25S | 31E | Eddy |
| Terminus | | | | | | |

Proposed Horizontal Gas Units

| Description | Acres | Pool | Pool Code |
|--------------------|-------|-----------------------------|-----------|
| NE/4 of Section 26 | 400 | Purple Sage; Wolfcamp (GAS) | 98220 |
| SE/4 & S/2 NE/4 | | | |
| of Section 23 | | | |

Reference is made to your application received on July 29th, 2021.

You have requested to complete this horizontal well as a gas well described above in the referenced pool or formation. This well is governed by special rules, R-14262, for the Purple Sage; Wolfcamp (Gas) Pool and provides for 320-acre units, with wells located at least 330 feet from a unit outer boundary.

The affected tract concerning this well's completed interval is as close as 100 feet to the southern edge and 98 feet to the northern edge. Encroachment will impact the following tract.

Section 26, encroachment to the SE/4 Section 23, encroachment to the N/2 NE/4 Section 14, encroachment to the S/2 SE/4 Administrative Order NSL-8201 Mewbourne Oil Company August 24th, 2021 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 Paragraph (8) Subsection A of 19.15.2.7 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 within the Wolfcamp formation underlying the NE/4 of Section 26 the SE/4 and S/2 NE/4 of Section 23. Thereby preventing waste.

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 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.



AES/lrl

cc: Oil Conservation Division – Artesia District Office Bureau of Land Management – Carlsbad Field Office From: Lowe, Leonard, EMNRD

To: Cy Shook

Cc: Bratcher, Mike, EMNRD; Kautz, Paul, EMNRD; "lisa@rwbyram.com"; jglover@blm.gov; kate

Pickford (Katherine.Pickford@state.nm.us)

APPROVED NSLs_Mewbourne Oil Company_6 Armstrong Wells_SEC 26 25S 31E Subject:

Date: Friday, August 27, 2021 10:36:00 AM

Attachments:

NSL-8195 Mewbourne Oil Co. Armstrong 26 23 WIGG Fed Com Well No. 5H APPROVED.pdf NSL-8197 Mewbourne Oil Co. Armstrong 26 23 WOFF Fed Com Well No. 3H APPROVED.pdf NSL-8198 Mewbourne Oil Co. Armstrong 26 23 W1GG Federal Com Well No. 3H APPROVED.pdf NSL-8199 Mewbourne Oil Co. Armstrong 26 23 W0GG Federal Com Well No. 4H APPROVED.pdf NSL-8200 Mewbourne Oil Co. Armstrong 26 23 W1HH Fed Com Well No. 2H APPROVED.pdf NSL-8201 Mewbourne Oil Co. Armstrong 26 23 W0HH Fed Com Well No. 1H APPROVED.pdf

image001.png

Importance: High

Mr. Cy Shook,

The following NSL Administrative Orders have been issued and will soon be available on the Division's web site:

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

| NSL | AMD | Applicant | OGRID | WELL NAME | API# |
|------|-----|-----------------------|-------|--|----------------|
| 8201 | - | Mewbourne Oil Company | 14774 | Armstrong 26 23 W0HH Federal Com Well No. 1H | 30-015-PENDING |
| 8200 | - | Mewbourne Oil Company | 14774 | Armstrong 26 23 W1HH Federal Com Well No. 2H | 30-015-PENDING |
| 8199 | - | Mewbourne Oil Company | 14774 | Armstrong 26 23 WOGG Federal Com Well No. 4H | 30-015-PENDING |
| 8198 | - | Mewbourne Oil Company | 14774 | Armstrong 26 23 W1GG Federal Com Well No. 3H | 30-015-46311 |
| 8197 | - | Mewbourne Oil Company | 14774 | Armstrong 26 23 WOFF Federal Com Well No. 3H | 30-015-48554 |
| 8195 | - | Mewbourne Oil Company | 14744 | Armstrong 26 23 WIGG Federal Com Well No. 5H | 30-015-48553 |

Copies of the approved orders are attached.

Leonard R. Lowe

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

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