

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



October 18th, 2021

Ms. Kaitlyn A. Luck
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NON-STANDARD LOCATION

Administrative Order NSL-8237

DJR Operating, LLC [OGRID 371838]
Carson Well No. 615H
API No. 30-045-35878

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	572 FSL & 790 FWL	M	21	25N	12W	San Juan
First Take Point	1129 FSL & 47 FWL	P	21	25N	12W	San Juan
Last Take Point/ Terminus	383 FSL & 231 FWL	M	17	25N	12W	San Juan

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
SW/4 Section 21 & SE/4, N/2 of Section 20 & SW/4 of Section 17 & SE/4 of Section 18	960	Basin Mancos/ Bisti Lower-Gallup	97232/5890

Reference is made to your application received on September 24th, 2021.

You have requested to drill this horizontal well at an unorthodox well location described above in the referenced pool or formation. 19.15.16.15(B)(3)(a) NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal well's completed interval penetrates, each of which consists of a governmental quarter section or equivalent.

This well's completed interval is as close as 447 feet to the southwestern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 19, encroachment toward the NE/4

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 develop both the Bason Mancos and Gallup formation underlying the SW/4 of section 21, SE/4 & N/2 of section 20, SW/4 of section 17 and the SE/4 of section 18. Therefore, preventing waste within the designated formations.

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: State Land Office – Oil, Gas, and Mineral Division
Bureau of Land Management – Carlsbad Field Office