State of New Mexico Energy, Minerals and Natural Resources Department

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October 25th, 2021

Ms. Sharon Shaheen Sshaheen@montand.com

NON-STANDARD LOCATION

Administrative Order NSL-8181

Longfellow Energy L.P. [OGRID 372210] Elvis State Com 29A Well No. 1H API No. 30-015-48142

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
Surface	790 FNL & 560 FWL	D	28	17S	28E	Eddy
First Take Point	169 FNL & 100 FEL	A	29	17S	28E	Eddy
Last Take Point/	181 FNL & 100 FWL	D	29	17S	28E	Eddy
Terminus						

Proposed Horizontal Units

Description	Acres	Pool	Pool Code
N/2 N/2 of Section 29	160	Artesia; Glorieta-Yeso	96830

Reference is made to your application received on May 13th, 2021. This application was initially protested and set for hearing. The case was dismissed on September 23, 2021, R-21857.

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 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 169 - 181 feet to the northern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

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

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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 to maximize the recovery of reserves and is your preferred well spacing plan for wells within the Glorieta-Yeso formation underlying $N/2\ N/2$ of section 29. Thereby maximizing recovery and 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 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.



AES/lrl

cc: State Land Office – Oil, Gas, and Minerals Division