

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



November 4th, 2021

Mr. Brian Wood,
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NON-STANDARD LOCATION

Administrative Order NSL-8247

**Apache Corporation [OGRID 873]
Palmillo 3 State Com Well No. 244H
API No. 30-015-45802**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	2050 FNL & 180 FEL	H	3	19S	28E	Eddy
First Take Point	1082 FNL & 303 FEL	A	3	19S	28E	Eddy
Last Take Point	372 FNL & 165 FWL	D	3	19S	28E	Eddy
Terminus	373 FSL & 46 FWL	D	3	19S	28E	Eddy

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N/2 N/2 of section 3	161.72	Palmillo; Bone Spring, SW	96413

Reference is made to your application received on October 14th, 2021.

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 238 feet to the southeastern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 3, encroachment to the SE/4 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 due to miscues in the drilling and completion of this well within the Bone Spring formation underlying N/2 N/2 of section 3.

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 Minerals Division