

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



December 10th, 2021

Reed Brunette
rbrunette@titusoil.com

NON-STANDARD LOCATION

Administrative Order NSL-8264

**Titus Oil & Gas Production, LLC [OGRID 373986]
El Campeon Federal Com Well No. 514H
API No. 30-025-48140**

Proposed Location

| | <u>Footages</u> | <u>Unit/Lot</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|------------------|-------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface | 558 FSL & 620 FEL | P | 20 | 26S | 35E | Lea |
| First Take Point | 10 FNL & 660 FEL | A | 29 | 26S | 35E | Lea |
| Last Take Point | 100 FSL & 660 FEL | 1 | 32 | 26S | 35E | Lea |
| Terminus | 0 FSL & 660 FEL | 1 | 32 | 26S | 35E | Lea |

Proposed Horizontal Units

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|-----------------------|--------------|-------------------------------|------------------|
| E/2 E/2 of Section 29 | 233.64 | Jabalina; Wolfcamp, Southwest | 96676 |
| E/2 E/2 of Section 32 | | | |

Reference is made to your application received on November 12th, 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 10 feet towards the northern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 20, encroachment to the SE/4 SE/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 as your preferred well spacing in this area to maximize recovery and thereby preventing waste within the Wolfcamp formation underlying E/2 E/2 of section 29 and the E/2 E/2 of section 32.

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