State of New Mexico Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham

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February 2nd, 2022

Mr. Brian Wood, brian@permitswest.com

NON-STANDARD LOCATION

Administrative Order NSL-8274

Vision Energy Group, LLC [OGRID 280962] Navajo 18 Well No. 61 API No. 30-045-35572

Surface Location; Vertical Well

Footages	Unit/Lot	Sec.	Twsp	Range	County
777 FSL & 1256 FWL	M	7	29N	16W	San Juan

Proposed Oil Unit

Description	Acres	Pool	Pool Code
SW/4 SW/4 of Section 7	40	Hogback Dakota	32680

Reference is made to your application received on November 30th, 2021.

This vertical well was drilled at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by special pool rules R-3296, which provides for 40-acre units, with wells to be located at least 165feet from the QTR/QTR line.

This well's completed interval is as close as 101 feet to the eastern boundary. Encroachment will impact the following tract.

Section 7, encroachment to the SE/4 SW/4

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.

Administrative Order NSL-8274 Vision Energy Group, LLC February 2nd, 2022 Page 2 of 2

Division understands that the unorthodox location is needed due to surface obstruction considerations of an existing house and another well located too close to this well. The approval will also prevent waste within the Dakota formation underlying the SW/4 SW/4 of Section 7.

Your application has been filed under Subsection 6 of Paragraph of Section (C) of 19.15.16.15 NMAC, 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 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: Bureau of Land Management – Farmington Office

Navajo Nation Minerals Department – Window Rock AZ