

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



NON-STANDARD LOCATION

Ms. Sarah Chapman
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Administrative Order NSL - 8514

Spur Energy Partners, LLC [OGRID 328947]
Nelson 10 Federal Well No. 10H
API No. 30-015-PENDING

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	502 FNL & 2094 FEL	B	15	17S	32E	Lea
First Take Point	100 FSL & 2535 FEL	O	10	17S	32E	Lea
Last Take Point	100 FNL & 2535 FEL	B	10	17S	32E	Lea
Terminus	50 FNL & 2535 FEL	B	10	17S	32E	Lea

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 of Section 10	320	Maljamar; Yeso, West	44500

Reference is made to your application received on December 15th, 2022.

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 105 feet to the western edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 10, encroachment to the E/2 W/2

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 allow for efficient spacing of horizontal wells within the Yeso formation underlying the E/2 of Section 10. Thereby preventing waste and protecting correlative rights.

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.**

Reference this NSL order number on the As Drilled C-102, submitted with the Authorization to Transport (C-104), to place this well into production.

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.



DYLN M. FUGE
DIRECTOR (ACTING)
DMF/lrl

Date: 1/12/23