

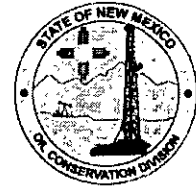
State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



April 21, 2015

Primero Operating Inc.
Attn: Mr. Brian Wood

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7267
Administrative Application Reference No. pMAM1508954392

Primero Operating Inc.
OGRID 18100
Exuma Flats Well No. 1Y
API No. 30-025-42190

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1980` FSL & 2140` FWL	K	7	16S	38E	Lea
Top perforations	1786` FSL & 1484.5` FWL	K	7	16S	38E	Lea
Bottom perforations	1776.9` FSL & 1449.5` FWL	K	7	16S	38E	Lea
Bottom Hole	1773` FSL & 1436.3` FWL	K	7	16S	38E	Lea

Proposed Unit:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
NE/4 SW/4 of Section 7	40	WC-025 G-08 S163807K; Strawn	98095

Reference is made to your application received on March 30, 2015.

You have requested to drill this well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 19.15.15.9.A NMAC, which provides for 40-acre units with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from a unit outer boundary.

Your application has been duly filed under the provisions of Division Rules 15.13 19.15.15.13 NMAC and 19.15.4.12.A (2) NMAC.

An unorthodox location is required due to a combination of geology and geophysics. The target location is in a non-standard location.

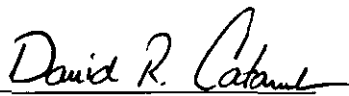
It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 19.15.4.12 (A) 2 NMAC, in all adjoining units towards which the proposed location encroaches.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Done at Santa Fe, New Mexico, on April 21, 2015.


DAVID R. CATANACH
Director

DRC/mam

cc: New Mexico Oil Conservation Division – Hobbs