

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary

**Matthias Sayer**  
Deputy Cabinet Secretary

**Heather Riley, Division Director**  
Oil Conservation Division



November 09, 2018

Ms. Jordan L. Kessler  
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NON-STANDARD LOCATION

**Administrative Order NSL-7784**

**Ameredev Operating LLC [OGRID 372224]  
Red Bud 25 36 32 State Com Well No. 107H  
API No. 30-025-45036**

**Proposed Location**

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	200 FSL & 1012 FEL	P	32	25S	36E	Lea
First Take Point	100 FSL & 1026 FEL	P	32	25S	36E	Lea
Last Take Point	100 FNL & 1026 FEL	A	29	25S	36E	Lea
Terminus	50 FNL & 1026 FEL	A	29	25S	36E	Lea

**Proposed Horizontal Spacing Unit**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E2 E2 of Section 32	320	Jal; Wolfcamp, West	33813
E2 E2 of Section 29			

Reference is made to your application received on November 8, 2018.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Sub Paragraph (a) of Paragraph (1) of Subsection B of 19.15.16.15 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 oil 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 294 feet to the western edge. Encroachments will impact the following tracts.

Section 32, encroachment to the W2 E2

Section 29, encroachment to the W2 E2

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. However, ownership is identical in the adjacent area of the proposed horizontal spacing unit; therefore, notice is not required.

Division understands you seek this location as a preferred well spacing for horizontal wells to maximize the recovery of oil and gas reserves underlying the horizontal spacing unit located within the Wolfcamp formation underlying the E2 E2 of Section 32 and E2 E2 of Section 29.

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.



**HEATHER RILEY**  
**Director**

HR/lrl

cc: Oil Conservation Division – Hobbs District Office  
State Land Office – Oil, Gas, and Minerals Division