

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 30, 2018

**Sorina Flores**  
[Sorina.Flores@apachecorp.com](mailto:Sorina.Flores@apachecorp.com)

NON-STANDARD LOCATION

**Administrative Order NSL-7785**

**Apache Corporation [OGRID 873]  
Palmillo 14 15 State Well No. 302H  
API No. 30-015-45341**

**Proposed Location**

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	1775 FSL & 300 FWL	L	15	19S	28E	Eddy
Penetration Point	1370 FSL & 100 FWL	L	15	19S	28E	Eddy
Final perforation	1370 FSL & 100 FEL	I	14	19S	28E	Eddy
Terminus	1370 FSL & 50 FEL	I	14	19S	28E	Eddy

**Proposed Horizontal Spacing Unit**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N2 S2 of Section 15	320	Palmillo; Bone Spring, SW	96413
N2 S2 of Section 14			

Reference is made to your application received on November 09, 2018.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Subsection B of 19.15.15.9 NMAC governs this pool and provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary.

This well's completed interval is as close as 50 feet to the southern edge. Encroachments will impact the following tracts.

Section 15, encroachment to the S2 S2  
Section 14, encroachment to the S2 S2

Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (2) of Subsection A of 19.15.4.12 NMAC, in all adjoining units towards which the proposed location encroaches.


Division understands you seek this location to recover additional oil and gas reserves within the horizontal spacing unit underlying the N2 S2 of Section 15 and Section 14 that may otherwise not be recovered by the existing producing wells, thereby preventing waste.

Your application has been filed under 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 – Artesia District Office  
New Mexico State Land Office – Oil, Gas, and Minerals Division