

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



March 28, 2019

Mr. Adam G. Rankin
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NON-STANDARD LOCATION

Administrative Order NSL-7852

Percussion Petroleum Operating, LLC [OGRID 371755]
Lakewood Federal Com Well No. 14H
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	430 FNL & 1290 FWL	D/4	3	20S	25E	Eddy
First Take Point	100 FSL & 1545 FWL	N	34	19S	25E	Eddy
Last Take Point	100 FNL & 1545 FWL	C	34	19S	25E	Eddy
Terminus	20 FNL & 1545 FWL	C	34	19S	25E	Eddy

Proposed Horizontal Spacing Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E2 W2 of Section 34	160	N. Seven Rivers; Glorieta-Yeso	97565

Reference is made to your application received on March 7, 2019.

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 245 feet to the western edge. Encroachments will impact the following tracts.

Section 34, W2 W2

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.

Division understands you seek this location as an efficient well spacing for horizontal wells to maximize the recovery of oil and gas reserves underlying the horizontal spacing unit located within the Glorieta-Yeso formation underlying the entire Section 34.

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.



Gabriel Wade
Acting Division Director

GW/mam

cc: Oil Conservation Division – Artesia District Office
Bureau of Land Management - Carlsbad