

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
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Heather Riley, Division Director
Oil Conservation Division



December 5, 2018

Mr. Jerry W. Sherrell
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NON-STANDARD LOCATION

Administrative Order NSL-7786

Mack Energy Corporation [OGRID 13837]
Prince Rupert Federal Well No. 4H
API No. 30-005-64320

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	565 FSL & 1675 FEL	O	17	15S	29E	Chaves
First Take Point	100 FNL & 1718 FEL	B	20	15S	29E	Chaves
Last Take Point	50 FSL & 1718 FEL	O	20	15S	29E	Chaves
Terminus	13 FSL & 1717 FEL	O	20	15S	29E	Chaves

Proposed Horizontal Spacing Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W2 E2 of Section 20	160	Round Tank; San Andres	52770

Reference is made to your application received on November 14, 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 50 feet to the southern edge. Encroachments will impact the following tracts.

Section 29, encroachment to the NW4 NE4

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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 San Andres formation underlying the W2 E2 of Section 20.

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 – Artesia District Office
Bureau of Land Management – Carlsbad Field Office