

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Dylan M. Fuge, Acting Director
Oil Conservation Division



Mr. Stan Wagner
stan.s.wagner@conocophillips.com

NON-STANDARD LOCATION

Administrative Order NSL - 8562

ConocoPhillips Company [OGRID 217817]
Zia Hills Unit 2731 Well No. 13H
API No. 30-015-49931

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	672 FNL & 525 FEL	A	27	26S	31E	Eddy
First Take Point	100 FNL & 280 FEL	A	27	26S	31E	Eddy
Last Take Point	100 FSL & 280 FEL	1	34	26S	31E	Eddy
Terminus	50 FSL & 280 FEL	1	34	26S	31E	Eddy

Proposed Horizontal Spacing Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 E/2 of Section 27 & Section 34 W/2 W/2 of Section 26 & Section 35	450.45	Zia Hills; Wolfcamp	98081

Reference is made to your application received on April 10th, 2023.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. 19.15.16.15(B)(1)(a) 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 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 280 feet to a Quarter section that is not included in the unit towards the eastern edge of the horizontal spacing unit. Encroachment will impact the following tract(s).

Section 26, encroachment to the W/2 SW/4

Administrative Order NSL - 8562
ConocoPhillips Company
Page 2 of 2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in 19.15.2.7(A)(8) NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands you are seeking this unorthodox location to allow for efficient spacing of horizontal wells within the Wolfcamp formation. Thereby preventing waste within the formation underlying the E/2 E/2 of Section 27, the E/2 E/2 of Section 34, the W/2 W/2 of Section 26, and the W/2 W/2 of Section 35.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per 19.15.15.13 (B) NMAC, **Division approves this unorthodox location.**

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

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.



DYLAN M. EUGE
DIRECTOR (ACTING)
DMF/lrl

Date: 5/4/2023

District I
 1625 N. French Dr., Hobbs, NM 88240
 Phone:(575) 393-6161 Fax:(575) 393-0720

District II
 811 S. First St., Artesia, NM 88210
 Phone:(575) 748-1283 Fax:(575) 748-9720

District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 Phone:(505) 334-6178 Fax:(505) 334-6170

District IV
 1220 S. St Francis Dr., Santa Fe, NM 87505
 Phone:(505) 476-3470 Fax:(505) 476-3462

State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

CONDITIONS

Action 214510

CONDITIONS

Operator: CONOCOPHILLIPS COMPANY 600 W. Illinois Avenue Midland, TX 79701	OGRID: 217817
	Action Number: 214510
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	5/8/2023