

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Melanie Kenderdine
Cabinet Secretary - Designate

Ben Shelton
Deputy Secretary (Acting)

Gerasimos "Gerry" Razatos
Division Director (Acting)
Oil Conservation Division



Sarah Chapman
schapman@spurenergy.com

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL – 8811

**Spur Energy Partners, LLC [OGRID 328947]
Staley 30 State Com Well No. 10H
API No. 30-015-PENDING**

Reference is made to your application received on September 18th, 2024.

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	945 FNL & 785 FWL	D	29	17S	28E	Eddy
First Take Point	990 FNL & 100 FEL	A	30	17S	28E	Eddy
Last Take Point	1096 FNL & 100 FWL	D/1	30	17S	28E	Eddy
Terminus	1100 FNL & 50 FWL	D/1	30	17S	28E	Eddy

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N/2 N/2 Section 30	163.14	Red Lake; Glorieta – Yeso, Northeast	96836

You have requested to drill this horizontal well at an unorthodox 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. 19.15.16.15(C)(1)(a) NMAC governs the distance in the horizontal plane from any point in the completed interval to any outer boundary of the horizontal spacing unit, measured along a line perpendicular to the completed interval or to the tangent thereof, shall be a minimum of 330 feet for an oil well. 19.15.16.15(C)(1)(b) NMAC governs the first and last take point of a horizontal well shall be no closer than 100 feet in the horizontal plane, to any outer boundary of the horizontal spacing unit.

Administrative Order NSL – 8811
Spur Energy Partners, LLC
Page 2 of 2

The request to deviate from an orthodox location has met all requirements of 19.15.16.15 (C)(5)(a) NMAC. It is understood that you are seeking this exception in order to create a non-standard location, comprised of Take Points referenced above, within the described Horizontal Spacing Unit.

This well's completed interval is as close as 224 feet to the southern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 30, encroachment to the SW/4 NW/4 (Lot 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 due to anticollision of existing vertical development in the QTR-QTR Lot of section, thus preventing waste and protecting correlative rights within the Red Lake; Glorieta – Yeso, Northeast formation underlying the N/2 N/2 of Section 30.

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.



GERASIMOS RAZATOS
DIRECTOR (ACTING)
GR/lrl

Date: 12/11/2024

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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

CONDITIONS

Action 414900

CONDITIONS

Operator: Spur Energy Partners LLC 9655 Katy Freeway Houston, TX 77024	OGRID: 328947
	Action Number: 414900
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

CONDITIONS

Created By	Condition	Condition Date
llowe	None	12/23/2024