

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Susana Martinez**  
Governor

**David Martin**  
Cabinet Secretary

**Brett F. Woods, Ph.D.**  
Deputy Cabinet Secretary

**Jami Bailey**  
Division Director  
Oil Conservation Division



May 2, 2014

Fair Oil LTD  
Attn: Mr. Brian Woods

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

**Administrative Order NSL7059**  
**Administrative Application Reference No. pMAM1409128897**

**Fair Oil LTD**  
OGRID 65531  
**Fair 17 Federal Well No. 3**  
**API No. 30-015-42219**

**Proposed Location:**

<u>Footages</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
955 FNL & 245 FWL	D	17	17S	31E	Eddy

**Proposed Unit:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
NW/4 NW/4 of Section 17	40	Cedar Lake; Glorieta-Yeso	96831

Reference is made to your application received on March 31, 2014.

You have requested to drill this well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 19.15.15.9.A NMAC, which provides for 40-acre units with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from a unit outer boundary.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A (2) NMAC.

It is our understanding that you are seeking this location because of two producing oil wells, one plugged and abandoned oil well, 5 rights-of-way, and ancillary on lease roads, pipelines, and power lines in the Unit that prevent a standard location.

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It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 9.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on May 2, 2014.

A handwritten signature in black ink, appearing to read "Jami Bailey", is written over a faint, large, light-colored watermark or signature that is partially obscured.

Jami Bailey  
Director

JB/mam

cc: New Mexico Oil Conservation Division – Artesia  
Bureau of Land Management - Carlsbad