

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



February 22, 2019

Mr. Adam G. Rankin
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NON-STANDARD LOCATION

Administrative Order NSL-7830

**Percussion Petroleum Operating, LLC [OGRID 371755]
Goodman Well No. 8H
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	175 FSL & 2060 FWL	N	22	19S	25E	Eddy
First Take Point	50 FSL & 2525 FEL	O	22	19S	25E	Eddy
Last Take Point	50 FSL & 2554 FWL	N	23	19S	25E	Eddy
Terminus	50 FSL & 2634 FWL	N	23	19S	25E	Eddy

Proposed Horizontal Spacing Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
S2 SE4 of Section 22 S2 SW4 of Section 23	160	N. Seven Rivers; Glorieta-Yeso	97565

Reference is made to your application received on February 14, 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 50 feet to the southern edge and 99 feet to the southeastern edge. Encroachments will impact the following tracts.

Section 27, encroachment to the N2 NE4

Section 26, encroachment to the N2 NW4 & NW4 NE4

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. However, the ownership is identical in all the affected tracts; therefore, notice is not required.

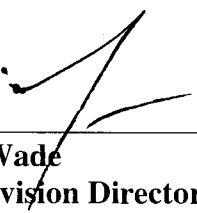
Division understands you seek this location as an efficient well spacing for horizontal wells to maximize the recovery of oil and gas reserves underlying the horizontal spacing unit located within the Glorieta-Yeso formation underlying the S2 SE4 of section 22 and the S2 SW4 of Section 23.

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/lrl

cc: Oil Conservation Division – Artesia District Office