

Approved

NSL

Order

Approved: 01/14/20

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

Adrienne E. Sandoval, Director
Oil Conservation Division



January 27, 2020

Ms. Deanna M. Bennett
Deana.bennett@modrall.com

NON-STANDARD LOCATION

Administrative Order NSL-7968

**Franklin Mountain Energy [OGRID 373910]
Parade State Well No. 603H
API No. 30-025-46505**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	675 FNL & 2624 FEL	2	2	25S	35E	Lea
First Take Point	793 FNL & 2566 FEL	2	2	25S	35E	Lea
Last Take Point/ Terminus	150 FSL & 2580FEL	O	11	25S	35E	Lea

Proposed Horizontal Spacing Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W2 E2 of Section 2	320.85	Wildcat; Lower Bone Spring	98185
W2 E2 of Section 11			

The NSL application was initially protested on December 23, 2019. The protest was resolved between parties.

Reference is made to your application received on December 4, 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 16 - 74 feet to the western edge. Encroachments will impact the following tracts.

Section 2, encroachment to the E2 W2
Section 11, encroachment to the E2 W2

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.

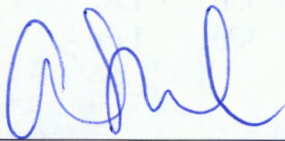
The Division understands you seek this location because such placement is relative to offset planned wellbores optimization geometric configuration for horizontal wells in the area and thereby preventing waste of oil and gas reserves underlying the horizontal spacing unit located within the Bone Spring formation underlying the W2E2 of Section 2 and 11.

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.



ADRIENNE E. SANDOVAL
Division Director

AES/lrl

cc: Oil Conservation Division – Hobbs District Office
State Land Office – Oil, Gas, and Minerals Division

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Monday, January 27, 2020 12:54 PM
To: 'Deana M. Bennett'
Cc: Mike Bratcher (mike.bratcher@state.nm.us); Kautz, Paul, EMNRD; 'lisa@rwbyram.com'; Goetze, Phillip, EMNRD; Murphy, Kathleen A, EMNRD; Warnell, Terry G, EMNRD; Rose-Coss, Dylan H, EMNRD; McClure, Dean, EMNRD; Garcia, John A, EMNRD; Simmons, Kurt, EMNRD; Cox, Scott, EMNRD
Subject: APPROVED NSL-7968_Franklin Mountain Energy_Parade State Well No. 603H_SEC 2 23S 35E
Attachments: NSL-7968_ORDER.pdf

Importance: High

Ms. Deanna M. Bennett,

The following NSL Administrative Order has been issued and will soon be available on the Division's web site:
<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

NSL	AMD	Applicant	OGRID	WELL NAME	API
7968	-	Franklin Mountian Energy	373910	Parade State Well No. 603H	30-025-4650

Leonard R. Lowe

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