

Approved

NSL

Order

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



October 6th, 2021

Ms. Kaitlyn A. Luck
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NON-STANDARD LOCATION

Administrative Order NSL-8209

**DJR Operating, LLC [OGRID 371838]
Bisti Well No. 100H
API No. 30-045-PENDING**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	2098` FSL & 387` FWL	L	1	25N	12W	San Juan
First Take Point	1666` FSL & 768` FEL	I	2	25N	12W	San Juan
Last Take Point/ Terminus	1880` FNL & 60` FEL	H	3	25N	12W	San Juan

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N/2 S/2 & SW/4 NE/4 & S/2 NW/4 of Section 2 SE/4 NE/4 of Section 3	320	Basin Mancos/ Bisti Lower-Gallup	97232/5890

Reference is made to your application received on September 5th, 2021.

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)(3)(a) NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal 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 section or equivalent.

This well's completed interval is as close as 346 feet to the southern edge of the horizontal spacing unit, Basin Mancos pool/formation. Encroachment will impact the following tracts.

Section 2, encroachment toward the S/2 SE/4
Section 11, encroachment toward the N/2 NE/4

This well's completed interval is as close as 571 feet to the northern edge of the horizontal spacing unit, Bisti Lower-Gallup pool/formation. Encroachment will impact the following tracts.

Section 2, encroachment to the NW/4 NW/4 (Lot 4)

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 in order to develop both the Bason Mancos and Gallup formation underlying the N/2 S/2 & SW/4 NE/4 & S/2 NW/4 of Section 2 and the SE/4 NE/4 of Section 3. Therefore, preventing waste within the Wolfcamp and Gallup formation.

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.**

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: State Land Office – Oil, Gas, and Mineral Division
Bureau of Land Management – Carlsbad Field Office