

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



December 1st, 2021

Ms. Sarah Chapman,
schapman@spurenergy.com

NON-STANDARD LOCATION

Administrative Order NSL-8255

**Spur Energy Partners, LLC [OGRID 328947]
Halberd 27 State Com Well No. 71H
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	2240 FNL & 745 FWL	E	26	17S	28E	Eddy
First Take Point	2475 FSL & 100 FEL	I	27	17S	28E	Eddy
Last Take Point	2475 FSL & 100 FWL	L	27	17S	28E	Eddy
Terminus	2475 FSL & 50 FWL	L	27	17S	28E	Eddy

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
N/2 S/2 of Section 27	160	Artesia; Glorieta-Yeso	96830

Reference is made to your application received on November 10th, 2021.

You have requested to drill this horizontal well at an unorthodox oil 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.

This well's completed interval is as close as 165 feet to the northern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 27, encroachment to the S/2 N/2

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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 to allow for efficient spacing of horizontal wells and prevent waste within the Glorieta - Yeso formation underlying the N/2 S/2 of section 27.

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