

State of New Mexico
Energy, Minerals and Natural Resources Department

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Mr. Reed Brunette
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NON-STANDARD LOCATION

Administrative Order NSL-8314

**Titus Oil & Gas Production, LLC [OGRID 373986]
Lonesome Dove Federal Com Well No. 434H
API No. 30-025-48155**

Proposed Location

| | <u>Footages</u> | <u>Unit/Lot</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|------------------|---------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface | 2289 FSL & 1079 FEL | I | 17 | 26S | 35E | Lea |
| First Take Point | 2632 FNL & 330 FEL | H | 17 | 26S | 35E | Lea |
| Last Take Point | 100 FNL & 330 FEL | A | 8 | 26S | 35E | Lea |
| Terminus | 10 FNL & 330 FEL | A | 8 | 26S | 35E | Lea |

Proposed Horizontal Units

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|--|--------------|-------------------------------|------------------|
| E/2 NE/4 of Section 17 E/2 E/2 of Section 8 | 240 | Jabalina; Wolfcamp, Southwest | 96776 |

Reference is made to your application received on January 11th, 2022.

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.

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.

This well's completed interval is as close as 8 feet to the southern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 17, encroachment to the NE/4 SE/4

Division understands you are seeking this unorthodox location as its preferred well spacing plan for horizontal wells in the area and thereby preventing waste within the Wolfcamp formation underlying E/2 NE/4 of section 17 and the E/2 E/2 of section 8.

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

Date: 3/29/2022

AES/lrl