

State of New Mexico
Energy, Minerals and Natural Resources Department

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Ms. Deana M. Bennett
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NON-STANDARD LOCATION

Administrative Order NSL - 8437

Franklin Mountain Energy, LLC [OGRID 373910]
Carnival State Com Well No. 805H
API No. 30-025-49748

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	250 FNL & 1225 FWL	D/4	2	25S	35E	Lea
First Take Point	623 FNL & 1194 FWL	D/4	2	25S	35E	Lea
Last Take Point/ Terminus	150 FSL & 1165 FWL	M	11	25S	35E	Lea

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 W/2 of Section 2	320.91	Wildcat; Upper Wolfcamp	98187
W/2 W/2 of Section 11			

Reference is made to your application received on September 9th, 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.

This well's completed interval is as close as 126 - 155 feet to the eastern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 2, encroachment to the E/2 W/2
Section 11, encroachment to the E/2 W/2

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 yield the greatest recovery of reserves and to reduce waste within the Wolfcamp formation underlying W/2 W/2 of Section 2 and the W/2 W/2 of Section 11.

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.**

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

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: 10/19/2022

AES/lrl