

State of New Mexico
Energy, Minerals and Natural Resources Department

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Ms. Paula M. Vance
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NON-STANDARD LOCATION

Administrative Order NSL - 8488

XTO Energy Inc. [5380]
Shanghai Rooster 15 3 Federal Well No. 125H
API No. 30-015-50096

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	330 FSL & 2530 FEL	O	15	25S	29E	Eddy
First Take Point	100 FSL & 2590 FEL	O	15	25S	29E	Eddy
Last Take Point	100 FNL & 2590 FEL	B/2	03	25S	29E	Eddy
Terminus	50 FNL & 2590 FEL	B/2	03	25S	29E	Eddy

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 of Section 03	960	Willow Lake; Bone Spring, Southeast	96217
E/2 of Section 10			
E/2 of Section 15			

Reference is made to your application received on November 15th, 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 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 50 feet to the western edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 15, encroachment to the W/2
Section 10, encroachment to the W/2
Section 03, encroachment to the 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 as your preferred well spacing plan for horizontal wells in this area, thereby preventing waste within the Bone Spring formation underlying the E/2 of Section 03, E/2 of Section 10 and the E/2 of Section 15.

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 (C-104), 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: 12/18/2022

AES/lrl