



New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

John H. Bemis
Cabinet Secretary-Designate

Brett F. Woods, Ph.D.
Deputy Cabinet Secretary

Jami Bailey
Division Director
Oil Conservation Division



November 21, 2011

ADMINISTRATIVE NON-STANDARD PRORATION UNIT AND NON-STANDARD LOCATION ORDER

J.C. Williamson
Attn: Mr. David Catanach

Administrative Order NSP-1954
Administrative Application Reference No. pTWG11-29754046

Administrative Order NSL-6501
Administrative Application Reference No. pTWG11-29753409

J.C. Williamson
OGRID 11158
Ross Draw Unit Well No. 31
API No. 30-015-38371

Proposed Location:

<u>Footages</u>	<u>Unit</u>	<u>Section</u>	<u>Township</u>	<u>Range</u>	<u>County</u>
687 FSL & 660 FEL	Lot 1	33	26S	30E	Eddy

Proposed Unit:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
Lot 1 (SE/4 NE/4) of Sec. 33	24.80	Ross Draw; Delaware	52790

Reference is made to your application received on October 24, 2011.

Non Standard Proration Unit (NSP)

You have requested approval of a non-standard oil spacing and proration unit described above, which is a non-standard subdivision resulting from survey irregularity occasioned by the New Mexico-Texas border. This lot consists of 24.80 acres. Standard spacing for this pool is 40

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acres, in accordance with statewide Rule 15.9 [19.15.15.9.A NMAC]. No portion of the quarter-quarter section equivalent is omitted from this proposed non-standard unit, and the proposed unit is entirely within a single quarter-quarter section equivalent subdivision of the United States Public Land Survey.

Your NSP application has been duly filed under the provisions of Division Rules 15.11.B(2) [19.15.15.11.B(2) NMAC] and 4.12.A(3) [19.15.4.12.A(3) NMAC].

Non-Standard location:

You have requested to complete this well at an unorthodox oil well location described above, in the referenced pool or formation. This location is governed by statewide Rule 15.9.A, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary. This location is less than 330 feet from a unit boundary.

Your NSL application has been duly filed under the provisions of Division Rules 15.13 [19.15.15.13 NMAC] and 4.12.A(2) [19.15.4.12.A(2) NMAC].

It is our understanding that you are seeking approval of this location in order to utilize an existing wellbore that was drilled at this location for unknown reasons.

It is also understood that you have given due notice of this application to all operators or owners who are "affected persons," as defined in Rule 4.12.A(2), in all adjoining units towards which the proposed location encroaches, and in all other adjoining spacing units in the same section that do not have identical ownership with the proposed unit.

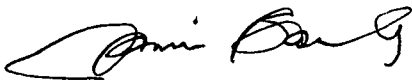
Pursuant to the authority conferred by Division Rule 15.13.B, the above-described unorthodox location is hereby approved.

Pursuant to the authority conferred by Division Rule 15.11.B(2) the above-described non-standard proration unit is hereby approved.

These approvals are subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.5.9 NMAC].

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,

A handwritten signature in black ink, appearing to read "Jami Bailey", written in a cursive style.

Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division –
United States Bureau of Land Management