

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



October 27, 2020

Mr. Cy Shook
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Administrative Order NSP-2124

ADMINISTRATIVE NON-STANDARD HORIZONTAL SPACING UNIT

Mewbourne Oil Company [OGRID 14774]

Armstrong 26 23 W1FF Federal Com Well No. 1H, [API No. 30-015-46305]

Armstrong 26 23 W1EE Federal Com Well No. 1H, [API No. 30-015-46307]

Armstrong 26 23 WOFF Federal Com Well No. 2H, [API No. 30-015-46351]

Armstrong 26 23 WOEE Federal Com Well No. 4H, [API No. 30-015-46304]

Reference is made to your application received on October 27th, 2020.

You have requested approval of a non-standard horizontal gas spacing unit to be included in your proposed horizontal spacing unit, as follows:

Proposed Horizontal Spacing Unit:

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|--|--------------|-----------------------|------------------|
| NW/4 of Section 26 SW/4 & S/2 NW/4 of Section 23 | 400 | Purple Sage; Wolfcamp | 98220 |

Acreage of Exclusion:

| <u>Description</u> | <u>Acres</u> |
|---------------------------------|--------------|
| N/2 NW/4 of Section 23, 25S 31E | 80 |

You have requested an exception pursuant to Rule 19.15.16.15(A)(3) NMAC, to approve a non-standard horizontal gas spacing unit comprising 320 acres, consisting of the entire area described above as the horizontal spacing unit. The proposed horizontal spacing unit does not consist of a quarter section or equivalent in both sections, as required by Rule 19.15.16.15(B)(3) NMAC.

We understand that you are seeking this exception in order to allow you to create a 400 acre, non-standard horizontal spacing unit, comprised of the Proposed Horizontal Spacing Unit referenced above within Eddy County, New Mexico.

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units which are being excluded. All signed waivers have been received within the affected area; therefore, notice is not required.

You have requested this non-standard horizontal spacing unit due to Devon Energy Production Company currently existing within the N/2 NW/4 of Section 23, thus excluding acreage of your intended Horizontal Spacing Unit. Therefore, reducing waste while protecting correlative rights within the referenced Horizontal Spacing Unit.

Pursuant to the authority conferred by Division Rule 19.15.16.15(B)(5) NMAC, the above-described **non-standard horizontal spacing unit is hereby approved**. Further, the Applicant may add additional wells to the horizontal spacing unit with a Sundry notice to the Engineering Bureau, reference this NSP Order.

General Provisions

The above approvals are subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

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



ADRIENNE E. SANDOVAL
Division Director

AES/lrl

cc: New Mexico Oil Conservation Division – Artesia
Bureau of Land Management – Carlsbad