

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



February 12, 2018

EOG Resources, Inc.
Attn: Ms. Jordan L. Kessler

NON-STANDARD LOCATION

Administrative Order NSL-7633

EOG Resources, Inc.
OGRID 7377
Convoy 28 State Com Well No. 704H
API No. 30-025-44258

Non-Standard Location

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	538` FNL & 1635` FEL	B	28	24S	33E	Lea
Penetration Point	330` FNL & 1590` FEL	B	28	24S	33E	Lea
Final perforation	330` FSL & 1590` FEL	O	33	24S	33E	Lea
Terminus	230` FSL & 1590` FEL	O	33	24S	33E	Lea

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 E/2 of Section 28	320	WC-025 G-09 S243336I;	98092
W/2 E/2 of Section 33		Upper Wolfcamp	

Reference is made to your application received on January 12, 2018.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 19.15.15.9.A NMAC, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary.

This well's completed interval is as close as 269 feet from the eastern edge of the project area and therefore will cause an encroachment toward the following tracts:

Section 21, encroachment to SE/4 SE/4
Section 28, encroachment to the E/2 E/2
Section 33, encroachment to the E/2 E/2
Section 4 (T-25S, R-33E), encroachment to the NE/4 NE/4

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 19.15.4.12 A (2) NMAC, in all adjoining units towards which the proposed location encroaches.

It is our understanding that the Applicant is seeking this location to maximize the recovery of oil and gas reserves from the Upper Wolfcamp formation underlying the W/2 E/2 of Section 28 and W/2 E/2 Section 33.

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

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

The above approvals are subject to your following all other applicable Division rules.

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


HEATHER RILEY
Director

HR/lrl

cc: Oil Conservation Division – Hobbs District Office
State Land Office – Oil, Gas, and Minerals Division