

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Michelle Lujan Grisham**  
Governor

**Sarah Cottrell Propst**  
Cabinet Secretary

**Todd E. Leahy, JD, PhD**  
Deputy Cabinet Secretary

**Adrienne E. Sandoval, Director**  
Oil Conservation Division



October 7<sup>th</sup>, 2021

Ms. Kaitlyn A. Luck  
[kaluck@hollandhart.com](mailto:kaluck@hollandhart.com)

NON-STANDARD LOCATION

**Administrative Order NSL-8219**

**EOG Resources, INC. [OGRID 7377]  
Dragon 36 State Com Well No. 510H  
API No. 30-025-49283**

**Proposed Location**

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	655 FSL & 746 FWL	M	36	24N	33E	Lea
First Take Point	100 FSL & 244 FWL	M	36	24N	33E	Lea
Last Take Point/ Terminus	108 FNL & 520 FWL	D	36	24N	33E	Lea

**Proposed Horizontal Units**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 of Sec 36	320	Red Hills; Lower Bone Spring	51020

Reference is made to your application received on September 15<sup>th</sup>, 2021.

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 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 244 feet to the southwestern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 35, encroachment to the SE/4 SE/4

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 location. Therefore, preventing waste within the Bone Spring formation underlying W/2 of Section 36.

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.**

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.

  

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ADRIENNE E. SANDOVAL  
Division Director

AES/lrl

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