

State of New Mexico
Energy, Minerals and Natural Resources Department

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Ms. Jordan Kessler
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Administrative Order NSP - 2148

ADMINISTRATIVE NON-STANDARD HORIZONTAL SPACING UNIT

EOG Resources, INC. [OGRID 7377]

| | |
|---------------------------------------|------------------------|
| Deep Elem 4 Federal Com Well No. 503H | API NO. 30-015-48907 |
| Deep Elem 4 Federal Com Well No. 504H | API NO. 30-015-48906 |
| Deep Elem 4 Federal Com Well No. 505H | API NO. 30-015-47916 |
| Deep Elem 4 Federal Com Well No. 582H | API NO. 30-015-47938 |
| Deep Elem 4 Federal Com Well No. 584H | API NO. 30-015-48910 |
| Deep Elem 4 Federal Com Well No. 585H | API NO. 30-015-48904 |
| Deep Elem 4 Federal Com Well No. 586H | API NO. 30-015-47939 |
| Deep Elem 4 Federal Com Well No. 590H | API NO. 30-015-PENDING |
| Deep Elem 4 Federal Com Well No. 591H | API NO. 30-015-47940 |
| Deep Elem 4 Federal Com Well No. 593H | API NO. 30-015-48908 |
| Deep Elem 4 Federal Com Well No. 594H | API NO. 30-015-48915 |
| Deep Elem 4 Federal Com Well No. 595H | API NO. 30-015-48914 |

Located in Section 9 and Section 16, T26S, R31E, Eddy County, New Mexico

Reference is made to your application received on February 6th, 2023.

You have requested an approval for a non-standard horizontal spacing unit as follows:

| Description | Acres | Pool | Pool Code |
|--------------------|--------------|----------------------------------|------------------|
| Section 09 | 1280 | Jennings; Bone Spring, West Pool | 97860 |
| Section 16 | | | |

You have requested an exception pursuant to Rule 19.15.16.15(B)(2) NMAC, to approve a non-standard horizontal spacing unit comprising 1280 acres, consisting of the entire area described above as the horizontal spacing unit. The proposed horizontal spacing unit does not consist of a quarter - quarter section, as required by Rule 19.15.16.15(B)(1) NMAC.

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 included.

You have requested this non-standard horizontal spacing unit in order to efficiently locate surface facilities, and to reduce surface disturbance. Therefore, reducing waste while protecting the correlative rights within the Bone Spring formation underlying Section 9 and Section 16.

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. The additional well(s) shall be designated to the same horizontal spacing unit and pool/formation. Submit a Change of Plans to the OCD's permitting website. Once submitted, email the Action ID number to the following e-mail address: ocd.engineer@emnrd.nm.gov of notice for additional wells.

Reference this NSP order number on the As Drilled C-102 submitted with the Authorization to Transport (C-104), to place these wells into production.

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.



DYLAN M. FUGE
DIRECTOR (ACTING)
DMF/lrl

Date: 3/3/2023