

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

David Martin
Cabinet Secretary-Designate

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

Jami Bailey, Division Director
Oil Conservation Division



August 2, 2013

EOG Resources, Inc.
c/o Holland & Hart, LLP, Attorneys
Attn: Mr. Adam G. Rankin

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-6841
Administrative Application Reference No. pPRG1321459199

EOG Resources, Inc.
OGRID 7377
Fox 30 State Com. Well No. 3H
API No. 30-025-41249

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	2140 FNL & 715 FEL	H	30	25S	34E	Lea
Penetration Point	2540 FSL & 961 FEL	I	30	25S	34E	Lea
Terminus	230 FSL & 961 FEL	P	31	25S	34E	Lea

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 SE/4 of Section 30 & E/2 E/2 of Section 31	240	Red Hills; Upper Bone Spring Shale	97900

Reference is made to your application received on July 30, 2013.

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 15.9.A [19.15.15.9.A NMAC], which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary, and Rule 15.16.14.B(2) [19.15.16.14.B(2) NMAC] concerning directional wells in designated project areas. This location is unorthodox because portions of the proposed completed interval are less than 330 feet from an outer boundary of the project area.

Your 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 this location for engineering reasons.

It is also understood that notice to offsetting owners or operators is unnecessary due to common ownership.

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

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 5.9 [19.15.15.9 NMAC].

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

Sincerely,



Jami Bailey
Director

JB/db

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office