

State of New Mexico  
Energy, Minerals and Natural Resources Department

**Michelle Lujan Grisham**  
Governor

**Melanie Kenderdine**  
Cabinet Secretary

**Dylan M. Fuge**  
Deputy Secretary

**Dylan Fuge**, Division Director (Acting)  
**Oil Conservation Division**



Ms. Jordan Kessler  
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**ADMINISTRATIVE NON-STANDARD LOCATION**

**Administrative Order NSL – 8747**

**EOG Resources, Inc. [OGRID 7377]  
Red Hills North Unit Well No. 581H  
API No. 30-025-PENDING**

Reference is made to your application received on April 1<sup>st</sup>, 2024.

**Proposed Location**

	<b>Footages</b>	<b>Unit/Lot</b>	<b>Sec.</b>	<b>Twsp</b>	<b>Range</b>	<b>County</b>
Surface	968 FNL & 271 FEL	1	02	25S	33E	Lea
First Take Point	100 FNL & 1370 FWL	3	01	25S	33E	Lea
Last Take Point/ Terminus	100 FSL & 1370 FWL	F	13	25S	33E	Lea

**Proposed Horizontal Units**

<b>Description</b>	<b>Acres</b>	<b>Pool</b>	<b>Pool Code</b>
E/2 W/2 Section 01	399.89	Red Hills; Lower Bone Spring	51020
E/2 W/2 Section 12			
E/2 NW/4 Section 13			

You have requested to drill this horizontal well at an unorthodox 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 **oil** 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. 19.15.16.15(C)(1)(a) NMAC governs the distance in the horizontal plane from any point in the completed interval to any outer boundary of the horizontal spacing unit, measured along a line perpendicular to the completed interval or to the tangent thereof, shall be a minimum of 330 feet for an **oil** well. 19.15.16.15(C)(1)(b) NMAC governs the first and last take point of a horizontal

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well shall be no closer than 100 feet for an **oil** in the horizontal plane, to any outer boundary of the horizontal spacing unit.

The request to deviate from an orthodox location has met all requirements of 19.15.16.15 (C)(5)(a) NMAC. It is understood that you are seeking this exception in order to create a non-standard location, comprised of Take Points referenced above, within the described Horizontal Spacing Unit.

This well's completed interval is as close as 50 feet to the western edge of the horizontal spacing unit. Encroachment will impact the following tracts.

- Section 01, encroachment to the W/2 W/2
- Section 12, encroachment to the W/2 W/2
- Section 13, encroachment to the W/2 NW/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 to produce the well in an efficient matter and to prevent waste within the Bone Spring formation underlying the E/2 W/2 of Section 01, E/2 W/2 of Section 12 and the E/2 NW/4 of Section 13.

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.**

Reference this NSL order number on the As Drilled C-102 submitted with the Authorization to Transport, to place this well into production.

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.



**DYLAN M. FUGE**  
**DIRECTOR (ACTING)**  
DMF/lrl

**Date:** 5/16/24

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**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS

Action 345693

**CONDITIONS**

Operator: EOG RESOURCES INC 5509 Champions Drive Midland, TX 79706	OGRID: 7377
	Action Number: 345693
	Action Type: [IM-SD] Admin Order Support Doc (ENG) (IM-AAO)

**CONDITIONS**

Created By	Condition	Condition Date
llowe	None	5/20/2024