

State of New Mexico  
Energy, Minerals and Natural Resources Department

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**Susana Martinez**  
Governor

**Ken McQueen**  
Cabinet Secretary

**Matthias Sayer**  
Deputy Cabinet Secretary

**Heather Riley, Division Director**  
Oil Conservation Division



February 21, 2018

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NON-STANDARD LOCATION

**Administrative Order NSL-7636**

**EOG Resources, Inc. OGRID 7377**  
**Gem 36 State Com Well No. 6H**  
**API No. 30-025-44264**

**Non-Standard Location**

**Proposed Location:**

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	220` FSL & 2276` FWL	N	36	25S	32E	Lea
Penetration Point	330` FSL & 2355` FWL	N	36	25S	32E	Lea
Final perforation	330` FNL & 2355` FWL	C	36	25S	32E	Lea
Terminus	230` FNL & 2355` FWL	C	36	25S	32E	Lea

**Proposed Project Area:**

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 W/2 of Section 36	160	Jennings; Upper Bone Spring Shale	97838

Reference is made to your application received on January 30, 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 285 feet from the eastern edge of the project area and therefore will cause an encroachment toward the following tracts:

Section 25, encroachment to SW/4 SE/4  
Section 36, encroachment to the W/2 E/2  
Section 1 (T26S, R32E), encroachment to the NW/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.

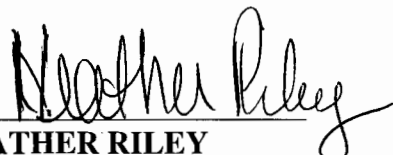
It is our understanding that the Applicant is seeking this location to maximize the recovery of oil and gas reserves from the Upper Bone Spring Shale formation underlying the E/2 W/2 of Section 36.

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/wvjj

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