

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



February 27, 2018

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NON-STANDARD LOCATION

Administrative Order NSL-7644

EOG Resources, INC. [OGRID 7377]
Hawk 26 Federal Well No. 703H
API No. 30-025-42396

Non-Standard Location

Proposed Location:

| | <u>Footages</u> | <u>Unit/Lot</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|-------------------|----------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface | 500' FSL & 1615' FWL | N | 26 | 24S | 33E | Lea |
| Penetration Point | 50' FNL & 1550' FWL | C | 35 | 24S | 33E | Lea |
| Final perforation | 330' FSL & 1550' FWL | N | 35 | 24S | 33E | Lea |
| Terminus | 230' FSL & 1550' FWL | N | 35 | 24S | 33E | Lea |

Proposed Project Area:

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|-----------------------|--------------|---|------------------|
| E/2 W/2 of Section 35 | 160 | WC-025 G-09 S2433361; Upper Wolfcamp | 98092 |

Reference is made to your application received on February 14, 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 50 feet from the northern edge and 230 feet from the western edge of the project area and therefore will cause an encroachment toward the following tracts:

Section 26, encroachment to the S/2 SW/4
Section 35, encroachment to the W/2 W/2

It is also understood that that notice of this application to offsetting operators or owners is unnecessary due to common ownership in the affected tracts.

It is our understanding that the Applicant is seeking this location to maximize the recovery of oil reserves from the Wolfcamp formation underlying the E/2 W/2 of Section 35.

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/lrl

cc: Oil Conservation Division – Hobbs District Office
Bureau of Land Management – Carlsbad Field Office