

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



March 22, 2018

Adam G. Rankin, Attorney
Holland & Hart LLP
Agrankin@hollandhart.com

NON-STANDARD LOCATION

Administrative Order NSL-7658

**EOG Resources, INC. [OGRID 7377]
Hawk 35 Federal Well No. 702H
API No. 30-025-42405**

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` FNL & 691` FWL	D	35	24S	33E	Lea
Penetration Point	50` FSL & 830` FWL	M	26	24S	33E	Lea
Final perforation	330` FNL & 830` FWL	D	26	24S	33E	Lea
Terminus	230` FNL & 830` FWL	D	26	24S	33E	Lea

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 W/2 of Section 26	160	Red Hills; Upper Bone Spring Shale	97900

Reference is made to your application received on February 16, 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 will be closer than 100 feet from the western edge of the project area and therefore will cause an encroachment toward the following tracts:

Section 35, encroachment to the NW/4 NW/4

It is also understood that no notice is required, because the Applicant is 100% working interest owner in the affected tract.

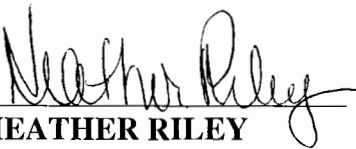
It is our understanding that the Applicant is seeking this location to use their preferred well spacing plan for horizontal wells and thereby preventing waste.

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/mam

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