

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



March 22, 2018

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NON-STANDARD LOCATION

**Administrative Order NSL-7657**

**EOG Resources, INC. [OGRID 7377]**  
**Hawk 35 Federal Well No. 701H**  
**API No. 30-025-42404**

**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 & 656` FWL | D               | 35          | 24S         | 33E          | Lea           |
| Penetration Point | 50` FSL & 330` FWL  | M               | 26          | 24S         | 33E          | Lea           |
| Final perforation | 330` FNL & 330` FWL | D               | 26          | 24S         | 33E          | Lea           |
| Terminus          | 230` FNL & 330` 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 January 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 50 feet from the southern edge of the project area and therefore will cause an encroachment toward the following tracts:

Section 34, encroachment to the NE/4 NE/4  
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 tracts.

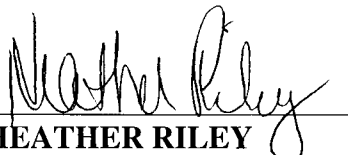
It is our understanding that the Applicant is seeking this location to use their preferred well spacing plan for horizontal wells and thereby preventing waste.

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