

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



March 22, 2018

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NON-STANDARD LOCATION

Administrative Order NSL-7655

EOG Resources, INC. [OGRID 7377]
Gem 36 State Com Well No. 705H
API No. 30-025-44440

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	420` FSL & 2304` FWL	N	36	25S	32E	Lea
Penetration Point	330` FSL & 2474` FWL	N	36	25S	32E	Lea
Final perforation	330` FNL & 2460` FWL	C	36	25S	32E	Lea
Terminus	230` FNL & 2460` 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	WC-025 G-09 S253236A; Upper Wolfcamp	98158

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 330 feet from the eastern edge of the project area and therefore will cause an encroachment toward the following tracts:

Section 25, encroachment to the SW/4 SE/4

Section 36, encroachment to the W/2 E/2

Section 1, Township 26 South, Range 32 East, 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.

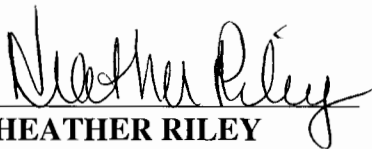
It is our understanding that the Applicant is seeking this location to use their preferred well spacing plan for horizontal wells and thereby preventing waste.

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
New Mexico State Land Office – Oil, Gas, and Minerals