

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



May 10, 2018

Adam G. Rankin
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NON-STANDARD LOCATION

Administrative Order NSL-7709

**EOG Resources [OGRID 7377]
Ruby 2 State Com Well No. 707H
API No. 30-025-44317**

Proposed Location

| | <u>Footages</u> | <u>Unit/Lot</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|-------------------|--------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface | 329 FNL & 1187 FEL | A | 2 | 26S | 34E | Lea |
| Penetration Point | 330 FNL & 1269 FEL | A | 2 | 26S | 34E | Lea |
| Final perforation | 330 FSL & 1274 FEL | P | 2 | 26S | 34E | Lea |
| Terminus | 230 FSL & 1273 FEL | P | 2 | 26S | 34E | Lea |

Proposed Project Area

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|--------------------|--------------|-----------------------|------------------|
| E2 E2 of Section 2 | 160 | Hardin Tank; Wolfcamp | 96658 |

Reference is made to your application received on April 18, 2018.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Subsection A of 19.15.15.9 NMAC governs this pool and 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 334 feet - 333 feet to the northwestern/southwestern edge, and 51 feet - 46 feet to the western edge of the project area. Encroachments will impact the following tracts.

Section 35, T25S R34E encroachment to the SW4 SE4
Section 2, T26S R34E encroachment to the W2 E2
Section 11, T26S R34E encroachment to the NW4 NE4

Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (2) of Subsection A of 19.15.4.12 NMAC, in all adjoining units towards which the proposed location encroaches.

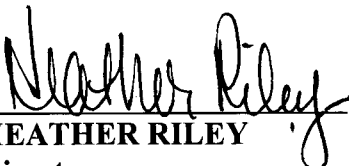
Division understands you seek this location as a desired well spacing plan for horizontal wells and thereby preventing waste from the Bone Spring formation underlying the E2 E2 of Section 2.

Your application has been filed under 19.15.15.13 NMAC and Paragraph (2) of Subsection A of 19.15.4.12 NMAC.

Per Subsection B of 19.15.15.13 NMAC, Division approves this unorthodox location.

The above approvals are subject to your following all other applicable Division rules.

Jurisdiction of this case is retained for the entry of further orders as Division deems necessary.


HEATHER RILEY
Director

HR/lrl

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