State of New Mexico Energy, Minerals and Natural Resources Department

Susana Martinez

Governor

Ken McQueen Cabinet Secretary Heather Riley, Division Director Oil Conservation Division



Matthias Sayer
Deputy Cabinet Secretary

May 10, 2018

Adam G. Rankin agrankin@hollandhart.com

NON-STANDARD LOCATION

Administrative Order NSL-7710

EOG Resources [OGRID 7377] Antietam 9 Federal Com Well No. 708H API No. 30-025-44351

Proposed Location

	Footages	Unit/Lot	Sec.	Twsp	Range	County
,Surface	220 FNL & 1965 FEL	В,	9	25S	33E	Lea
Penetration Point	330 FNL & 2581 FEL	В	9	25S	33E	Lea
Final perforation	2310 FNL & 2581 FEL	G	16	25S	33E	Lea
Terminus	2410 FNL & 2577 FEL	G	16	25S	33E	Lea

Proposed Project Area

Description	Acres	Pool	Pool Code
W2 E2 of Section 9	240	Wildcat; Upper Wolfcamp	98180
W2 NF4 of Section 16			

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 335 feet - 336 feet to the northwestern/southwestern edge, and 59 feet - 63 feet to the western edge of the project area. Encroachments will impact the following tracts.

Section 4, T25S R33E encroachment to the SE4 SW4 Section 9, T25S R33E encroachment to the E2 W2 Section 16, T25S R33E encroachment to the E2 NW4 and NE4 SW4 Administrative Order NSL-7710 EOG Resources, Inc. May 10, 2018 Page 2 of 2

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 Wolfcamp formation underlying the W2 E2 of Section 9 and the W2 NE4 of Section 16.

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 Bureau of Land Management – Carlsbad Field Office