

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



August 2, 2018

Jordan Kessler
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NON-STANDARD LOCATION

Administrative Order NSL-7744

EOG Resources Inc. [OGRID 7377]
Barlow 34 Federal Com Well No. 714H
API No. 30-025-44393

Proposed Location

	<u>Footages</u>	<u>Unit/lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	300 FSL & 441 FEL	H/1	34	26S	33E	Lea
First Take Point	100 FSL & 1218 FEL	H/1	34	26S	33E	Lea
Last Take Point/ Terminus	2540 FSL & 1218 FEL	I	27	26S	33E	Lea

Proposed Horizontal Spacing Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E2 SE4 of Section 27 Lot 1/Unit H and NE4 NE4 of Section 34 (E2 NE4 equivalent)	156.53	Sanders Tank; Upper Wolfcamp	98097

Reference is made to your application received on August 2, 2018.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Sub Paragraph (a) of Paragraph (1) of Subsection B of 19.15.16.15 NMAC governs this proposed well and provides that the operator shall dedicate to each horizontal oil well a standard horizontal spacing unit that comprises of one or more contiguous tracts that the horizontal oil well's completed interval penetrates, each of which consists of a governmental quarter-quarter section or equivalent.

This well's completed interval is as close as 102 feet to the western edge along the proposed well path within the horizontal spacing unit. Encroachments will impact the following tracts.

Section 27, encroachment to the W2 SE4
Section 34, encroachment to Lot 2/Unit G and NW4 NE4

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (8) Subsection A of 19.15.2.7 NMAC, in all adjoining units towards which the proposed location encroaches. However, the ownership is identical in the SE4 of Section 27 and Lot 1/ Unit H Lot 2/ Unit G and N/2 NE/4 (NE4 equivalent of Section 34); therefore, notice is not required.

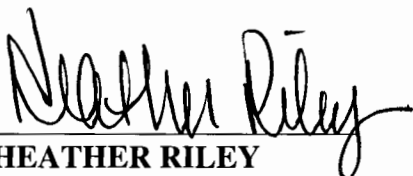
Division understands you seek this location to allow the Applicant to use their preferred well spacing plan for horizontal wells in this area and thereby prevent waste.

Your application has been filed under Subsection 6 of Paragraph of Section (C) of 19.15.16.15 NMAC, 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/mam

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