

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
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Oil Conservation Division



October 10, 2018

Jordan L. Kessler
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NON-STANDARD LOCATION

Administrative Order NSL-7762

**EOG Resources, Inc. [OGRID 7377]
Streetcar 15 Federal Well No. 704H
API No. 30-025-42863**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	731 FSL & 2444 FWL	N	15	25S	33E	Lea
Penetration Point	330 FSL & 2605 FWL	N	15	25S	33E	Lea
Final perforation	330 FNL & 2605 FWL	C	15	25S	33E	Lea
Terminus	230 FNL & 2605 FWL	C	15	25S	33E	Lea

Proposed Horizontal Spacing Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E2 W2 of Section 15	160	Wildcat; Upper Wolfcamp	98180

Reference is made to your application received on September 26, 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 35 feet to the eastern edge. Encroachments will impact the following tracts.

Section 15, encroachment to the W2 E2

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 E2 of Section 15 and notice is not required.


Division understands you seek this location as a preferred well spacing for horizontal wells to maximize the recovery of oil and gas reserves underlying the project area located within Bone Spring formation underlying the E2 W2 of Section 15.

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/lrl

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