

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
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Oil Conservation Division



November 15, 2018

Ms. Jordan L. Kessler
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NON-STANDARD LOCATION

Administrative Order NSL-7778

**EOG Resources, Inc. [OGRID 7377]
Heartthrob 17 State Well No. 703H
API No. 30-025-45138**

Proposed Location

| | <u>Footages</u> | <u>Unit/Lot</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|------------------------------|--------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface | 455 FSL & 1079 FWL | M | 17 | 24S | 33E | Lea |
| First Take Point | 100 FSL & 1527 FWL | N | 17 | 24S | 33E | Lea |
| Last Take Point/ Terminus | 100 FNL & 1527 FWL | C | 17 | 24S | 33E | Lea |

Proposed Horizontal Spacing Unit

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|---------------------|--------------|-------------------------|------------------|
| E2 W2 of Section 17 | 160 | Wildcat; Upper Wolfcamp | 98092 |

Reference is made to your application received on October 25, 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 207 feet to the western edge. Encroachments will impact the following tracts.

Section 17, encroachment to the W2 W2

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.

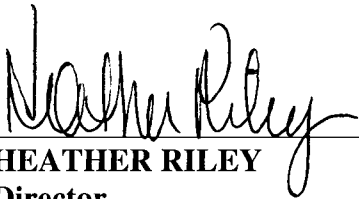
Division understands you seek this location as a preferred well spacing for horizontal wells to maximize the recovery of oil and gas reserves underlying the horizontal spacing unit located within the Wolfcamp formation underlying the E2 W2 of Section 17.

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
State Land Office – Oil, Gas, and Minerals Division