

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



February 22, 2019

Mr. Adam G. Rankin
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NON-STANDARD LOCATION

Administrative Order NSL-7832

**EOG Resources, INC. [OGRID 7377]
Gem 36 State Com Well No. 502H
API No. 30-025-45524**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	597 FNL & 1208 FEL	A	36	25S	32E	Lea
First Take Point	100 FNL & 1230 FEL	A	36	25S	32E	Lea
Last Take Point/ Terminus	100 FSL & 1230 FEL	P	36	25S	32E	Lea

Proposed Horizontal Spacing Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E2 E2 of Section 36	160	Jennings; Upper Bone Spring Shale	97838

Reference is made to your application received on February 14, 2019.

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 90 feet to the western edge. Encroachments will impact the following tracts.

Section 36, 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, ownership is identical in the affected tract therefore, notice is not required.

Division understands you seek this location as an efficient well spacing for horizontal wells to maximize the recovery of oil and gas reserves underlying the horizontal spacing unit located within the Bone Spring formation underlying the E2 E2 of Section 36.

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.



Gabriel Wade
Acting Director

GW/lrl

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