

State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne E. Sandoval, Director
Oil Conservation Division



July 1, 2019

Mr. Adam G. Rankin
agrarkin@hollandhart.com

NON-STANDARD LOCATION

Administrative Order NSL-7905

**EOG Resources, INC [OGRID 7377]
Fearless 23 Federal Com Well No. 505H
API No. 30-025-45185**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	647 FNL & 2042 FWL	C	23	25S	32E	Eddy
First Take Point	100 FNL & 2430 FWL	C	23	25S	32E	Eddy
Last Take Point/ Terminus	100 FSL & 2430 FWL	N	26	25S	32E	Eddy

Proposed Horizontal Gas Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W2 Section 23	320	Wildcat; Lower Bone Spring	97903
W2 Section 26	320	Wildcat; Lower Bone Spring	97903

Reference is made to your application received on June 10, 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 210 feet to the eastern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 23, encroachment to the E2
Section 26, encroachment to the 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.

Division understands you seek this unorthodox location to fit the spacing for other wells in the development plan of the entire section and thereby preventing waste within the Bone Spring formation underlying the E2 of Section 23 and Section 26.

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.



ADRIENNE E. SANDOVAL
Division Director

AES/lrl

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

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Monday, July 8, 2019 1:43 PM
To: 'Adam Rankin'
Cc: Kautz, Paul, EMNRD; Jones, William V, EMNRD; Goetze, Phillip, EMNRD; McMillan, Michael, EMNRD; Warnell, Terry G, EMNRD; Murphy, Kathleen A, EMNRD; 'lisa@rwbyram.com'; 'jglover@blm.gov'
Subject: APPROVED NSL-7905_EOG Resources_Fearless 23 Federal Com Well No. 505H_SEC 23 25S 32E
Attachments: NSL-7905_ORDER.pdf

Importance: High

Mr. Adam Rankin,

The following administrative order has been issued (*see attachment*) and will soon be available on the Division's web site:

<http://ocdimage.emnrd.state.nm.us/Imaging/Default.aspx>

NSL-7905

Application No.	NSL	AMD	Applicant	OGRID	WELL NAME
pLEL1917060551	7905	-	EOG Resources INC.	7377	Fearless 23 Federal Com Well No. 505H

Leonard Lowe

Engineering Bureau

Oil Conservation Division

Energy Minerals and Natural Resources Department

1220 South St. Francis

Santa Fe, New Mexico 87505

Office: 505-476-3492

Cell: 505-930-6717

Fax: 505-476-3462

E-mail: leonard.lowe@state.nm.us

Website: <http://www.emnrd.state.nm.us/ocd/>