

Approved

NSL

Order

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



November 18, 2020

Ms. Kaitlyn A. Luck
kaluck@hollandhart.com

NON-STANDARD LOCATION

Administrative Order NSL-8093

**EOG Resources, Inc. [OGRID 7377]
Osprey 10 Well No. 707H
API No. 30-025-46453**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	200 FSL & 1733 FWL	N	10	25S	34E	Lea
First Take Point	100 FSL & 2586 FWL	N	10	25S	34E	Lea
Last Take Point	2535 FSL & 2585 FWL	K	3	25S	34E	Lea
Terminus	2535 FSL & 2585 FWL	K	3	25S	34E	Lea

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 W/2 of Section 10 E/2 SW/4 of Section 3	240	Wildcat; Wolfcamp	98116

Reference is made to your application received on October 28, 2020.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. 19.15.16.15(B)(1)(a) 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 54 - 55 feet to the eastern edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 3, encroachment to the W/2 SE/4
Section 10, encroachment to the W/2 E/2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in 19.15.2.7(A)(8) NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands you are seeking this unorthodox location due to other Wolfcamp existing wells in the area. A non-standard location will optimize pressures related to the completion and production drawdown of the well, thus yielding ultimate resource recovery to prevent waste within the Wolfcamp formation underlying the E/2 W/2 of Section 10 and the E/2 SW/4 of Section 3.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per 19.15.15.13 (B) 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 – Artesia District Office
Bureau of Land Management – Carlsbad Field Office

Lowe, Leonard, EMNRD

From: Lowe, Leonard, EMNRD
Sent: Monday, November 23, 2020 3:18 PM
To: Kaitlyn A. Luck
Cc: Bratcher, Mike, EMNRD; Kautz, Paul, EMNRD; 'lisa@rwbyram.com'; Simmons, Kurt, EMNRD; Terry Warnell; McClure, Dean, EMNRD; Garcia, John A, EMNRD; Powell, Brandon, EMNRD; 'jglover@blm.gov'
Subject: APPROVED NSL-8093_EOG Resources, Inc._Osprey 10 Well No. 707H_SEC 10 25S 34E
Attachments: NSL-8093_ORDER.pdf

Importance: High

Ms. Kaitlyn A. Luck,

The following NSL Administrative Order has been issued and will soon be available on the Division's web site:

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

NSL	AMD	Applicant	OGRID	WELL NAME	API #
8093	-	EOG Resources, INC.	7377	Osprey 10 Well No. 707H	30-025-46453

A copy of each order is attached.

Leonard R. Lowe

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