

State of New Mexico
Energy, Minerals and Natural Resources Department

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Ms. Jordan Kessler
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NON-STANDARD LOCATION

Administrative Order NSL-8349

EOG Resources, INC. [7377]
Merciless 13 Federal Com Well No. 508H
API No. 30-025-47447

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	349 FNL & 2317 FEL	B	13	25S	32E	Lea
First Take Point	100 FNL & 2590 FEL	B	13	25S	32E	Lea
Last Take Point	100 FSL & 2590 FEL	G	24	25S	32E	Lea
Terminus	2542 FNL & 2590 FEL	G	24	25S	32E	Lea

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 of Section 13 NE/4 of Section 24	480	Wildcat; Lower Bone Spring	97903

Reference is made to your application received on April 13th, 2022.

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 50 feet to the western edge of the horizontal spacing unit. Encroachment will impact the following tracts.

- Section 13, encroachment to the E/2 W/2
- Section 24, encroachment to the E/2 NW/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 for optimal spacing to continue development of resources in the formation to allow for maximize recovery of reserves within the Lower Bone Spring formation underlying the E/2 of Section 13 and the NE/4 of Section 24.

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.**

Reference this NSL order number on the As Drilled C-102, submitted with the Authorization to Transport (C-104), to place this well into production.

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

Date: 5/19/2022

AES/lrl