

State of New Mexico  
Energy, Minerals and Natural Resources Department

Susana Martinez  
Governor

David Martin  
Cabinet Secretary

Brett F. Woods, Ph.D.  
Deputy Cabinet Secretary

David R. Catanach, Division Director  
Oil Conservation Division



March 25, 2015

EOG Resources, Inc.  
Attn: Ms. Jordan Kessler

ADMINISTRATIVE NON-STANDARD LOCATION ORDER

Administrative Order NSL-7251  
Administrative Application Reference No. pMAM1508333923

EOG Resources, Inc.  
OGRID 7377  
Hearns 27 State Com. Well No. 401 H  
API No. 30-025-42087

**Proposed Location:**

|                   | <u>Footages</u>      | <u>Unit</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|-------------------|----------------------|-------------|-------------|-------------|--------------|---------------|
| Surface           | 300` FSL & 2120` FWL | N           | 27          | 24S         | 33E          | Lea           |
| Penetration Point | 330` FNL & 1480` FWL | C           | 34          | 24S         | 33E          | Lea           |
| Final perforation | 330` FSL & 1480` FWL | N           | 34          | 24S         | 33E          | Lea           |
| Terminus          | 230` FSL & 1480` FWL | N           | 34          | 24S         | 33E          | Lea           |

**Proposed Project Area:**

| <u>Description</u>    | <u>Acres</u> | <u>Pool</u>                    | <u>Pool Code</u> |
|-----------------------|--------------|--------------------------------|------------------|
| E/2 W/2 of Section 34 | 160          | Triste Draw; Bone Spring, East | 96682            |

Reference is made to your application received on March 23, 2015.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. This location is governed by statewide Rule 19.15.15.9.A NMAC, which provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary, and Rule 19.15.16.14.B(2) NMAC concerning directional wells in designated project areas. This surface location is outside the project area, and is permitted by Rule 19.15.16.15.B (4) NMAC which allows for surface locations outside project area. This location is unorthodox because portions of the proposed completed interval are closer to outside boundaries of the proposed project area than any location that would be a standard location under the applicable pool rules.

Your application has been duly filed under the provisions of Division Rules 19.15.15.13 NMAC and 19.15.4.12.A(2) NMAC.

It is our understanding that you are seeking this location because it will allow for efficient well spacing, prevent the potential waste of a productive portion of the reservoir, and improve well performance.

It is also understood that notice of this application to offsetting operators or owners is unnecessary due to common ownership.

Pursuant to the authority conferred by Division Rule 19.15.15.13 (B) NMAC, the above-described unorthodox location is hereby approved.

This approval is subject to your being in compliance with all other applicable Division rules, including, but not limited to Division Rule 19.15.5.9 NMAC.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on March 25, 2015



DAVID R. CATANACH  
Director

DRC/mam

cc: New Mexico Oil Conservation Division – Hobbs  
New Mexico State Land Office – Oil, Gas, and Minerals  
Bureau of Land Management - Carlsbad