

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

David R. Catanach, Division Director
Oil Conservation Division



July 5, 2017

EOG Resources, Inc
Attn Ms Jordan L Kessler

ADMINISTRATIVE NON-STANDARD LOCATION

Administrative Order NSL-7553

EOG Resources, Inc.
OGRID 7377
Hearns 34 State Com Well No. 704H
API No. 30-025-43720

Non-Standard Location

Proposed Location:

	<u>Footages</u>	<u>Unit</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	300' FSL & 1386' FWL	N	34	24S	33E	Lea
Penetration Point	330' FSL & 1289' FWL	M	34	24S	33E	Lea
Final perforation	330' FNL & 1289' FWL	D	27	24S	33E	Lea
Terminus	230' FNL & 1289' FWL	D	27	24S	33E	Lea

Proposed Project Area:

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W/2 W/2 of Section 34	320	WC-025 G-09 S243336I,	98092
W/2 W/2 of Section 27		Upper Wolfcamp	

Reference is made to your application received on June 6, 2017

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 provide for 40-acre units with wells to be located at least 330 feet from outer unit boundaries, 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 EOG Resources Inc is seeking this location as a preferred well spacing plan for horizontal wells and thereby preventing waste

Pursuant to the authority conferred by Division Rule 19 15 15 13 (B) NMAC, the above-described unorthodox location is hereby approved

The above approvals are 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



DAVID R. CATANACH
Director

DRC/lrl

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