

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



October 22, 2018

Ms. Jordan L. Kessler
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NON-STANDARD LOCATION

Administrative Order NSL-7768

**EOG Resources, Inc. [OGRID 7377]
Stonewall 28 Federal Com Well No. 302H
API No. 30-025-44867**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	200 FNL & 660 FWL	D	28	24S	34E	Lea
First Take Point	330 FNL & 1100 FWL	D	28	24S	34E	Lea
Last Take Point	330 FSL & 1100 FWL	M	33	24S	34E	Lea
Terminus	230 FSL & 1100 FWL	M	33	24S	34E	Lea

Proposed Horizontal Spacing Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W2 W2 of Section 28	320	Red Hills; Bone Spring, North	96434
W2 W2 of Section 33			

Reference is made to your application received on September 26, 2018.

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 220 feet to the eastern edge. Encroachments will impact the following tracts.

Section 28, encroachment to the E2 W2
Section 33, encroachment to the E2 W2

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. However, the ownership is identical in the E2 W2 of Section 28 and E2 W2 of Section 33 therefore notice is not required.

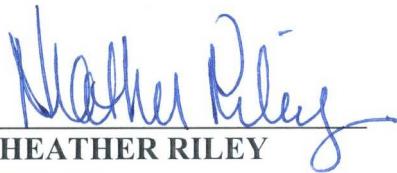
Division understands you seek this location as a preferred well spacing for horizontal wells to maximize the recovery of oil and gas reserves underlying the project area located within Bone Spring formation underlying the W2 W2 of Section 28 and the W2 W2 of Section 33.

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.



HEATHER RILEY

Director

HR/lrl

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