

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
Governor

Ken McQueen
Cabinet Secretary

Matthias Sayer
Deputy Cabinet Secretary

Heather Riley, Division Director
Oil Conservation Division



September 11, 2018

Jordan Kessler
jlkessler@hollandhart.com

NON-STANDARD LOCATION

Administrative Order NSL-7757

EOG Resources Inc. [OGRID 7377]
Dogwood 23 Federal Com Well No. 708H
API No. 30-025-44099

Proposed Location

	<u>Footages</u>	<u>Unit/lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	195 FSL & 883 FWL	M	23	26S	33E	Lea
First Take Point	100 FSL & 1520 FEL	N	23	26S	33E	Lea
Last Take Point/ Terminus	100 FNL & 15200 FEL	C	14	26S	33E	Lea

Proposed Horizontal Spacing Unit

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E2 W2 of Section 23 E2 W2 of Section 14	320	Sanders Tank; Upper Wolfcamp	98097

Reference is made to your application received on August 13, 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 200 feet to the western edge along the proposed well path within the horizontal spacing unit. Encroachments will impact the following tracts.

Section 23, encroachment to the W2 W2
Section 14, encroachment to the W2 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 23 and Section 14; therefore, notice is not required.

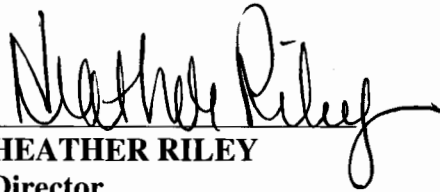
Division understands you seek this location to allow the Applicant to use their preferred well spacing plan for horizontal wells in this area and thereby prevent waste.

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