

State of New Mexico
Energy, Minerals and Natural Resources Department

Susana Martinez
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Heather Riley, Division Director
Oil Conservation Division



May 10, 2018

Adam G. Rankin
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NON-STANDARD LOCATION

Administrative Order NSL-7703

**EOG Resources [OGRID 7377]
Nautilus 16 State Com Well No. 712H
API No. 30-025-44366**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	170 FNL & 1966 FEL	B	16,	26S	34E	Lea
Penetration Point	330 FNL & 2430 FEL	B	16	26S	34E	Lea
Final perforation	330 FSL & 2430 FEL	O	16	26S	34E	Lea
Terminus	230 FSL & 2430 FEL	O	16	26S	34E	Lea

Proposed Project Area

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
W2 E2 of Section 16	160	Wildcat; Upper Wolfcamp	98105

Reference is made to your application received on April 19, 2018.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. Subsection A of 19.15.15.9 NMAC governs this pool and provides for 40-acre units, with wells located at least 330 feet from a unit outer boundary.

This well's completed interval is as close as 391 feet to the northwestern/southwestern edge, and 210 feet to the western edge of the project area. Encroachments will impact the following tracts.

- Section 9, T26S R34E encroachment to the SE4 SW4
- Section 16, T26S R34E encroachment to the E2 W2
- Section 21, T26S R34E encroachment to the NE4 NW4

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Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in Paragraph (2) of Subsection A of 19.15.4.12 NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands you seek this location as a desired well spacing plan for horizontal wells and thereby preventing waste from the Wolfcamp formation underlying the W2 E2 of Section 16.

Your application has been filed under 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
State Land Office – Oil, Gas, and Minerals Division