



Approved

NSL

Order

Approved: 06/21/19

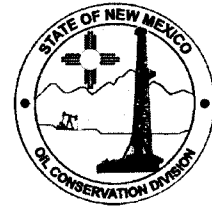
State of New Mexico
Energy, Minerals and Natural Resources Department

Michelle Lujan Grisham
Governor

Sarah Cottrell Propst
Cabinet Secretary

Todd E. Leahy, JD, PhD
Deputy Cabinet Secretary

Adrienne E. Sandoval, Director
Oil Conservation Division



June 21, 2019

Mr. Adam G. Rankin
agrarkin@hollandhart

NON-STANDARD LOCATION

Administrative Order NSL-7895
Amendment to NSL-7863

EOG Resources, INC. [OGRID 7377]
Savage 2 State Com Well No. 505Y
API No. 30-025-45814

Proposed Location

| | <u>Footages</u> | <u>Unit/Lot</u> | <u>Sec.</u> | <u>Twsp</u> | <u>Range</u> | <u>County</u> |
|------------------------------|--------------------|-----------------|-------------|-------------|--------------|---------------|
| Surface | 472 FNL & 2211 FEL | 2 | 2 | 25S | 32E | Lea |
| First Take Point | 100 FNL & 2398 FWL | 3 | 2 | 25S | 32E | Lea |
| Last Take Point/ Terminus | 123 FSL & 2527 FWL | N | 2 | 25S | 32E | Lea |

Proposed Horizontal Spacing Unit

| <u>Description</u> | <u>Acres</u> | <u>Pool</u> | <u>Pool Code</u> |
|--------------------|--------------|----------------------------|------------------|
| E2 W2 of Section 2 | 160.19 | Wildcat; Lower Bone Spring | 97964 |

Reference is made to your application received on May 31, 2019.

This NSL Order supersedes the previously approve Administrative Order, NSL-7863.

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 113 - 242 feet to the eastern edge. Encroachments will impact the following tracts. *This amendment is less unorthodox location then previous.*

Section 2, encroachment to the W2 E2

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. *The affected parties are identical to the initially approved Administrative Application.*

The Division understands that there were issues while drilling this well, resulting in moving it to an new adjacent location. The Division understands you seek this location as your preferred well spacing for horizontal wells in the area thereby preventing waste of oil and gas reserves underlying the horizontal spacing unit located within the Bone Spring formation underlying the E2 W2 of Section 2.

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.



ADRIENNE E. SANDOVAL
Division Director

AES/lrl

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