

State of New Mexico
Energy, Minerals and Natural Resources Department

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Oil Conservation Division



NON-STANDARD LOCATION

Ms. Jordan Kessler
jordan_kessler@eogresources.com

Administrative Order NSL-8425

EOG Resources, INC [OGRID 7377]
Yukon 20 Federal Com Well No. 507H
API No. 30-025-50352

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	615 FNL & 2606 FWL	C	20	24S	34E	Lea
First Take Point	100 FNL & 2580 FEL	B	20	24S	34E	Lea
Last Take Point/ Terminus	100 FSL & 2580 FEL	O	29	24S	34E	Lea

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 of section 20	480	Red Hills; Bone Spring, north	96434
E/2 of section 29			

Reference is made to your application received on August 15th, 2022.

You have requested to drill this horizontal well at an unorthodox oil well location described above in the referenced pool or formation. 19.15.16.15(B)(1)(a) 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 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 60 feet to the western edge of the horizontal spacing unit. Encroachment will impact the following tracts.

Section 20, encroachment to the W/2
Section 29, encroachment to the W/2

The Division understands you have given notice of this application to all operators or owners who are "affected persons," as defined in 19.15.2.7(A)(8) NMAC, in all adjoining units towards which the proposed location encroaches.

Division understands you are seeking this unorthodox location as your preferred well spacing plan for horizontal wells in the area and thereby preventing waste within the Bone Spring formation underlying E/2 of Section 20 and the E/2 of Section 29.

Your application has been filed under 19.15.16.15(C)(6) NMAC, 19.15.15.13 NMAC and 19.15.4.12 (A)(2) NMAC.

Per 19.15.15.13 (B) NMAC, **Division approves this unorthodox location.**

Reference this NSL order number on the As Drilled C-102, submitted with the Authorization to Transport (C-104), to place this well into production.

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

Date: 9/26/2022

AES/lrl