

State of New Mexico
Energy, Minerals and Natural Resources Department

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Ms. Jordan Kessler
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NON-STANDARD LOCATION

Administrative Order NSL - 8512

**EOG Resources, Inc. [OGRID 7377]
Shiprock 5 Federal Com Well No. 716H
API No. 30-025-50771**

Proposed Location

	<u>Footages</u>	<u>Unit/Lot</u>	<u>Sec.</u>	<u>Twsp</u>	<u>Range</u>	<u>County</u>
Surface	240 FNL & 2077 FEL	2	5	25S	34E	Lea
First Take Point	100 FNL & 2308 FEL	2	5	25S	34E	Lea
Last Take Point/ Terminus	2540 FNL & 2304 FEL	G	8	25S	34E	Lea

Proposed Horizontal Units

<u>Description</u>	<u>Acres</u>	<u>Pool</u>	<u>Pool Code</u>
E/2 of Section 5 NE/4 of Section 8	480.04	Bobcat Draw; Upper Wolfcamp	98094

Reference is made to your application received on December 14th, 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 less than 330 feet toward the western edge of the horizontal spacing unit due to irregular unit acreage. Encroachment will impact the following tracts.

Section 05, encroachment to the E/2 W/2
Section 08, encroachment to the E/2 NW/4

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 for horizontal wells and to prevent waste within the Wolfcamp formation underlying E/2 of Section 5, and the NE/4 of Section 8.

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, 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.



DYLAN M. FUGE
DIRECTOR (ACTING)
DMF/lrl

Date: 1/12/23